

For An Act To Be Entitled

AN ACT TO REORGANIZE THE EXISTING PUBLIC
EDUCATION SYSTEM; TO ESTABLISH THE POWERS AND
DUTIES OF THE OFFICERS OF THE PUBLIC EDUCATION
SYSTEM; AND FOR OTHER PURPOSES.

Subtitle

THE COMPREHENSIVE PUBLIC EDUCATION
REORGANIZATION ACT.

WHEREAS, The Arkansas Supreme Court, in the decision of Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the now extant system of public education to be unconstitutional because it is both inequitable and inadequate; and

WHEREAS, The Arkansas Supreme Court set forth the test for a constitutional system to be one in which the state has an "absolute duty" to provide an "equal opportunity to an adequate education"; and

WHEREAS, The Arkansas Supreme Court defined an "equal opportunity" to include the "basic components [of] substantially equal curricula, substantially equal facilities, and substantially equal equipment for obtaining an adequate education"; and

WHEREAS, The Arkansas Supreme Court pointed to discrepancies in teacher salaries finding that "[w]ell paid and well motivated teachers are what make the education engine run"; and

WHEREAS, The Arkansas Supreme Court recognized that the Arkansas General Assembly had "addressed what an adequate education in Arkansas would entail" through the passage of § 3 of Act 1108 of 1997 and § 1 of Act 1307 of 1997; and

WHEREAS, The General Assembly acknowledges the Acts 1108 and 1307 set forth what Arkansas' children should be able to know and do, which is the definition of an adequate education; and,

WHEREAS, The Arkansas Supreme Court has only given until January 1, 2004, to implement a constitutional education system; and

WHEREAS, The State of Arkansas recognizes that it has been the position of the state that any school district, regardless of size, whose students consistently exhibited exceptional performances on state, regional, or national examinations or on other related indicators of academic success would not be adversely affected by any structure of public education; and

WHEREAS, It is the desire of the State of Arkansas to maintain as many community schools and as much community involvement in public education as possible; and

WHEREAS, The state recognizes that there is no greater indicator of success in education than the involvement of the parents of students and the members of the community; and

WHEREAS, Multiple studies of education and education efficiency have determined that there are better ways of delivering an education system than the one that currently exists in Arkansas; and

WHEREAS, The state is acutely aware of financial and monetary restraints that have been placed on it by both the current state of the economy and the Constitution of the State of Arkansas; and

WHEREAS, The state has to find an efficient method to use its limited resources to create a system of public education as defined by Article 14, as amended, of the Arkansas Constitution,

NOW THEREFORE, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Legislative purpose

(a) The General Assembly declares that this act is necessary to enhance the delivery of an equal opportunity for adequate educational services to the people of Arkansas in an efficient and effective manner; to provide administrative cost savings in the delivery of these services by combining overlapping functions and eliminating duplications of functions of state government; and to achieve the grouping of state agencies into a primary department of education according to function in order to facilitate an increase in efficiency and reduction of administrative costs.

(b) It is the intent of the General Assembly to provide for a study of an orderly transfer of powers, authorities, duties and functions of the various state agencies to the primary Department of Education with a minimum of disruption of governmental services and functions and with a minimum of expense.

(c) For the purposes of this Act, the state agency or department to which another state board, commission, council, institute or department is transferred shall hereinafter be referred to as the "principal department".

SECTION 2. Transition authority

(a) This Act shall not affect the orders, rules, regulations, and standards made or promulgated before July 1, 2004, by any department, institution, division, bureau, board, commission, council, or other agency, the functions, powers and duties of which have been herein assigned or transferred to a principal department established by this Act. The orders, rules, regulations, and standards shall continue with full force and effect until amended or repealed pursuant to law.

(b) Unless specifically provided otherwise in this Act or by any operative law, whenever, pursuant to existing law, reports, certifications, applications, or requests are required or permitted to be made to a department, institution, division, bureau, board, commission, council, or other agency whose power and duties are herein assigned or transferred by a type 1, 2 or 3 transfer as allowed pursuant to this Act, then those reports and certifications shall thereafter be filed with, and the applications or

requests thereafter be made to, the department or bureau to which assignment or transfer has been made.

SECTION 3. Type 1 transfer

(a)(1) For the purposes of this Act, when any department, institution or agency, or part thereof, is transferred to a principal department created under this Act by a Type 1 transfer, the transferred department, institution, or agency, or part thereof, shall be administered under the direction and supervision of that principal department but shall retain exactly the same powers, authorities, duties, and functions prescribed by law as it had prior to the transfer, including:

(A) Rulemaking, regulation, licensing, and registration;

(B) The promulgation of rules, rates, regulations, and standards;

(C) The rendering of findings, orders, and adjudications; and

(D) The power to issue bonds and other interest-bearing obligations.

(2) The transferred department, institution, agency, or part thereof, shall exercise these powers, authorities, duties, and functions independently of the Secretary of the principal agency or department into which it has been transferred.

(b) Following a Type 1 transfer, the members of any statutory board or commission so transferred, and their successors, shall continue to be selected in the manner and to serve for the terms provided by the state law applicable to the board or commission as such law may be from time to time be amended.

(c) Notwithstanding subsections (a) and (b) of this section, under a Type 1 transfer, all management and administrative functions of any transferred department, institution, or other agency, or part thereof, shall be performed under the direction and supervision of the Secretary of the principal department into which it was transferred. These management and administrative functions shall include, but not be limited to, all budgeting, fiscal, purchasing, accounting, human resources, payroll, legal, information systems, maintenance, program support, administrative support, and related management functions.

(d)(1) Notwithstanding subsections (a) and (b) of this section, under a Type 1 transfer, the Secretary of the principal department, with the advice and consent of the Governor, shall appoint the heads of the respective bureaus, offices or other divisions under that principal department, who shall serve at the pleasure of the Secretary. The transferred department, institution, agency, or part thereof, shall not have any responsibility or authority with regard to the selection of those persons.

(2) Notwithstanding subsections (a) and (b) of this section, under a Type 1 transfer, all other personnel, positions, titles, appropriations, funds, assets, materials, data, and information of the transferred department, institution, agency, or part thereof, shall be transferred to the principal department to be used as directed by the Secretary for the effective operations of the principal department.

(3) Following a Type 1 transfer, all personnel of the transferred department, institution, agency, or part thereof, shall be employed and serve at the pleasure of the Secretary of the principal department into which they have been transferred.

(4) Following a Type 1 transfer, the transferred department, institution, agency, or part thereof, shall not employ any personnel other than those deemed by the Secretary of the principal department into which they were transferred to be necessary for the effective operations of the department.

(e) With regard to any board or commission charged with the management or control of a charitable, penal, or correctional institution or an institution of higher learning, as provided in Amendment 33 of the Arkansas Constitution, nothing in this Act shall be deemed to transfer the powers vested in such board or commission if such transfer would violate the provisions of Amendment 33.

(f) Nothing in this Act shall be deemed to alter the manner of selection or the length of the term of service for any position where state law provides that the Governor shall appoint or select the person occupying the position. For any person occupying a position on the effective date of this Act as a result of a Governor's appointment, nothing in this Act shall be deemed to alter that person's continued employment in that position or to alter the length of that person's current term.

SECTION 4. Type 2 transfers

(a) For the purposes of this Act, a Type 2 transfer means the transfer of all or part of an existing department, institution, or agency to one of the principal departments established under of this Act. When all or part of any department, institution, or agency is transferred under a Type 2 transfer, its authority, powers, duties, and functions as established by law, including all purchasing, budgeting, fiscal, accounting, human resources, payroll, legal, information systems, maintenance, program support, administrative support, and other management functions, are transferred to the principal department into which it is transferred. Also, all records, personnel, property, unexpended balances of appropriations, allocations, or other funds are transferred to the principal department.

(b)(1) When any department, institution, or agency, or part thereof, is transferred by a Type 2 transfer to a principal department created by this Act, all powers, duties, and functions, including, but not limited to, rulemaking, regulation, and licensing; promulgation of rules, rates, regulations, and standards; and the rendering of findings, orders, and adjudications are transferred to the Secretary of the principal department into which the department, institution, or agency, or part thereof, has been transferred.

(2) Following a Type 2 transfer, all personnel of the transferred department, institution, agency, or part thereof, shall be employed and serve at the pleasure of the Secretary or Director of the principal department into which they have been transferred.

(c) Following a Type 2 transfer, the members of any statutory board or commission so transferred, and their successors, shall continue to be selected in the manner and to serve for the terms provided by the state laws applicable to that board or commissions as such laws may from time to time be amended.

(d) With regard to any board or commission charged with the management or control of a charitable, penal, or correctional institution or an institution of higher learning, as provided in Amendment 33 of the Arkansas Constitution, nothing in this Act shall be deemed to transfer the powers vested in such board or commission if such transfer would violate the provisions of Amendment 33.

(e) Nothing in this Act shall be deemed to alter the manner of selection or the length of the term of service for any position where state law provides that the Governor shall appoint or select the person occupying the position. For any person occupying a position on the effective date of this Act as a result of a Governor's appointment, nothing in this Act shall be deemed to alter that person's continued employment in that position or to alter the length of that person's current term.

SECTION 5. Type 3 transfer

(a)(1) For the purposes of this Act, a Type 3 transfer means the abolishing of all or part of an existing department, institution, unit, office or agency including all personnel positions, and the transferring of all existing department, institution, unit, office or agency's powers, duties, functions, records, property, appropriations, unexpended balances of appropriations or existing funds to a principal department pursuant to this Act.

(2) Following a Type 3 transfer, all personnel positions of the transferred department, institution, agency, unit or office or part thereof, shall be abolished effective Wednesday, 11:59 p.m., June 30, 2004.

(b) When any department, institution, or agency, or part thereof, is transferred by a Type 3 transfer to a principal department created under this Act, all of its powers, duties and functions are transferred to the Secretary or Director of the principal department into which the department, institution, unit, office agency, or part thereof, is transferred.

SECTION 6. Abolishment of the Arkansas Department of Education

(a) Effective at 12:00 Midnight on Wednesday, June 30, 2004, the Arkansas Department of Education is abolished.

(b) All employment positions in the Arkansas Department of Education are abolished and the employment of all employees in the positions is terminated. All employees shall be processed under the standard State of Arkansas Reduction in Force Policy.

(c) Nothing in this act shall be construed as prohibiting the Director of the Arkansas Bureau of General Education from rehiring an employee of the existing Department of Education whose employment has been terminated.

SECTION 7. Creation of the Arkansas Bureau of General Education.

(a) Upon the effective date of this act, the Director of the Arkansas Department of Education shall, under the guidance of the Arkansas State Board of Education, initiate a study of the current organizational structure of the Arkansas Department of Education. No later than March 31, 2004, the Director shall forward to the Governor, a report detailing a recommended organizational structure of a new Arkansas Bureau of General Education. At no time shall the proposed structure result in an increase in department operational funding in excess of the current biennial appropriation. Included in this recommendation shall be:

- (1) Proposed bureau Vision and Mission
- (2) Proposed bureau organizational structure
- (3) Proposed bureau staffing requirements
- (4) Proposed re-classification of all positions to be exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.)

- (5) Proposed position descriptions
- (6) Proposed changes to the Uniform Classification and Compensation Act

- (7) Proposed changes to the bureau's existing appropriation for operations to allow for operations of the new organizational structure

(b) The Governor shall review the proposal and complete recommended revisions no later than April 16, 2004.

(c) The Director of the Department of Education shall complete revisions and forward the revised proposal to the Governor who shall complete a review and issue a final approval no later than April 30, 2004.

(d) The Director of the Department of Education shall present for review to the Uniform Personnel Classification and Compensation Plan subcommittee of the Arkansas Legislative Council, at the first meeting following April 30, 2004, a detailed presentation of the proposed changes to the Uniform Classification and Compensation Act, proposed staffing requirements, proposed position re-classification whereby all positions are to be exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.), proposed position descriptions, and confirm that all changes will not result in an increase in

the department operational budget over the current budget appropriation for the department.

(e) Following the plan outlined in Section 7(d) of this act being presented for review to the Uniform Personnel Classification and Compensation Plan subcommittee of the Arkansas Legislative Council, the Director of the Department of Education shall begin the process of interviewing and hiring personnel for the Arkansas Bureau of General Education.

(f) No hiring of any personnel for the Arkansas Bureau of General Education shall be effective prior to July 1, 2004.

(g) Effective at 12:01 AM on July 1, 2004, the Arkansas Bureau of General Education is established, utilizing the organizational structure as developed by the Director of the Department of Education and approved by the Governor.

(h) Upon the effective date of July 1, 2004, the names of the currently existing various Departments of Education and the various Bureaus of the Arkansas Department of Education shall be deemed to be referring to the respective same entity as it relates to legislation, contractual agreements, grants, funding and appropriations.

(i) Upon the effective date of July 1, 2004, the names of the currently existing various State Boards of Education and the various State Boards of Education of the various Bureaus of the Arkansas Department of Education shall be deemed to be referring to the respective same entity as it relates to legislation, contractual agreements, grants, funding and appropriations. Effective July 1, 2004, reference to the currently existing various State Boards of Education shall cease.

(j) Upon the effective date of July 1, 2004, the official title of the various Directors of the Arkansas Departments of Education and the official title of the various Directors of the various Bureaus of the Arkansas Department of Education shall be deemed to be referring to the respective same entity as it relates to legislation, contractual agreements, grants, funding and appropriations. Effective July 1, 2004, reference to the current official title of the various Directors of the various Arkansas Departments of Education shall cease.

SECTION 8. (a)(1) Effective July 1, 2004, there is created an Arkansas Department of Education. The executive head of the department shall be the

Secretary of the Arkansas Department of Education. The secretary shall be appointed by the Governor and shall serve at the pleasure of the Governor.

(2) The position of Secretary of the Arkansas Department of Education shall be a cabinet level position.

(3) The Secretary of the Arkansas Department of Education shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(b) (1) Effective July 1, 2004, the Arkansas Bureau of General Education, Arkansas Code § 25-6-102, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(2) Effective July 1, 2004, the Academic Standards and Assessment Unit of the Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education Office of Public School Accountability as established in section 9 of this act by a Type 3 transfer.

(3) Effective July 1, 2004, the Educational Accountability Unit of the Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education Office of Public School Accountability as established in section 9 of this act by a Type 3 transfer.

(4) Effective July 1, 2004, the Standards Assurance Unit of the Educational Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education Office of Public School Accountability as established in section 9 of this act by a Type 3 transfer.

(5) Effective July 1, 2004, the Dispute Resolutions Unit of the Educational Accountability Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education Office of Public School Accountability as established in section 9 of this act by a Type 3 transfer.

(6) Effective July 1, 2004, the Technology Resources and Planning Unit of the Information and Technology Section of the Arkansas

Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education Office of Public School Facilities as established in section 11 of this act by a Type 3 transfer.

(7) Effective July 1, 2004, the School Insurance Unit of the Public School Finance and Administration Section of the Arkansas Department of Education and its personnel positions, powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Insurance by a Type 3 transfer.

(c) Effective July 1, 2004, the Arkansas State Board of General Education, Arkansas Code § 6-11-101, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(d) Effective July 1, 2004, the Advisory Council for Education of Children with Disabilities, Arkansas Code § 6-41-211, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of General Education by a Type 1 transfer.

(e) Effective July 1, 2004, the Advisory Council for Education of Gifted and Talented, Arkansas Code § 6-42-104, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of General Education by a Type 1 transfer.

(f) Effective July 1, 2004, the Arkansas School for the Blind, Arkansas Code § 6-43-201, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of General Education by a Type 1 transfer.

(g) Effective July 1, 2004, the Arkansas School for the Deaf, Arkansas Code § 6-43-301, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of General Education by a Type 1 transfer.

(h) Effective July 1, 2004, the Board of Trustees for the Arkansas School for the Blind and the Arkansas School for the Deaf, Arkansas Code § 6-43-101, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(i) Effective July 1, 2004, the Department of Higher Education, Arkansas Code § 25-7-101, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(1) Effective July 1, 2004, the Department of Higher Education shall be renamed the Arkansas Bureau of Higher Education.

(2)(A) Effective July 1, 2004, the executive head of the Bureau shall be the Director of the Arkansas Bureau of Higher Education.

(B) The Director of the Arkansas Bureau of Higher Education shall serve the Secretary of the Arkansas Department of Education's as liaison to the Arkansas Higher Education Coordinating Board.

(j) Effective July 1, 2004, the Arkansas Higher Education Coordinating Board, Arkansas Code § 6-53-203, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(k) Effective July 1, 2004, the State Board of Workforce Education and Career Opportunities, Arkansas Code § 25-30-101, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(l) Effective July 1, 2004, the State Department of Workforce Education, Arkansas Code § 25-30-106, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(1) Effective July 1, 2004, the State Department of Workforce Education is renamed the Arkansas Bureau of Workforce Education.

(2)(A) Effective July 1, 2004, the executive head of the Bureau shall be the Director of the Arkansas Bureau of Workforce Education.

(B) The Director of the Arkansas Bureau of Workforce Education shall serve the Secretary of the Arkansas Department of Education as liaison to the State Board of Workforce Education and Career Opportunities.

(m) Effective July 1, 2004, Crowley's Ridge Technical Institute, Riverside Technical Institute and Northwest Technical Institute and their powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of Workforce Education by a Type 1 transfer.

(n) Effective July 1, 2004, the local Board of Directors of Crowley's Ridge Technical Institute and Northwest Technical Institute, Arkansas Code § 6-51-904, and their powers, authorities, duties, and functions shall be transferred to the Arkansas Bureau of Workforce Education by a Type 1 transfer.

(o)(1) The Arkansas Department of Rehabilitation Services, Arkansas Code § 6-52-101, and its powers, authorities, duties, and functions shall be transferred by a Type 1 transfer to the Arkansas Bureau of Workforce Education.

(2) Effective July 1, 2004, the Arkansas Department of Rehabilitation Services shall be renamed the Office of Rehabilitation Services.

(p) Effective July 1, 2004, the Arkansas Educational Television Commission, Arkansas Code § 6-3-101, and its powers, authorities, duties, and functions shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

(q) Effective July 1, 2004, the Arkansas State Library shall be transferred to the Arkansas Department of Education by a Type 1 Transfer.

(r) Effective July 1, 2004, the Arkansas State Library Board shall be transferred to the Arkansas Department of Education by a Type 1 transfer.

SECTION 9. Creation of the Office of Public School Accountability within the Arkansas Department of Education.

(a) In order to enhance the public's access to public school performance indicators and to better measure the dividends paid on the increasing public investment in Arkansas' schools, the General Assembly finds that an Office of Public School Accountability should be established within the Arkansas Department of Education. The foremost obligation of this section shall be to administer all monitoring and compliance activities dealing with academic and fiscal accountability for each school or school district and report academic progress.

(b) Effective July 1, 2004, there is created within the Arkansas Department of Education an Office of Public School Accountability.

(c) The Secretary of the Arkansas Department of Education shall select an individual to serve as the Public School Accountability Officer of the Arkansas Department of Education.

(d) (1) The Public School Accountability Officer shall prepare a proposed organization of support staff plan with guidance from the Secretary of the Arkansas Department of Education and approval by the Governor. The support staff employee organization plan shall be presented to the Arkansas Legislative Council for review when the General Assembly is not in session or

the Legislative Joint Budget Committee for review when the General Assembly is in session.

(2) Each individual serving in any capacity within the structure of the Office of Public Schools Accountability of the Arkansas Department of Education shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(e) The Office of Public School Accountability shall have the following responsibilities:

(1) Monitor schools for compliance with state and federal regulations;

(2) Monitor schools for compliance with legislative acts and court ordered mandates;

(3) Monitor schools for compliance with all standards of learning and accreditation as established by the Arkansas State Board of General Education;

(4) Monitor schools for compliance with all rules and regulations as established by the Arkansas State Board of General Education;

(5) Coordinate the analysis, dissemination, and reporting of all criterion and norm-referenced testing information;

(6) Coordinate the implementation and administration of longitudinal tracking and trend data collection as established by the Arkansas State Board of General Education for the purposes of improving student and school performance, ensuring mastery of the curriculum and providing comparison between students within Arkansas and with students in other states;

(7) Coordinate the implementation and administration of value-added assessments as established by the Arkansas State Board of General Education;

(8) Coordinate the implementation and administration of the annual school performance reports as established by the Arkansas State Board of General Education;

(9) Administer all monitoring and compliance activities dealing with academic and fiscal accountability as established by the Arkansas State Board of General Education;

(10) Administer all monitoring and compliance activities dealing with desegregation and equity issues;

(11) Serve as the Dispute Resolution Office for the Arkansas public school system, and

(12) Work with program approval and certification sections of the Arkansas Bureau of General Education, the Arkansas Bureau of Higher Education, the Arkansas Bureau of Workforce Education and the individual colleges to provide information that will contribute to reasonable, equitable, and excellent preparation of certified personnel in the institutions, both public and private, of higher education.

(f) The Office of Accountability shall make available to the Joint Interim Oversight Subcommittee on Educational Reform, the House and Senate Interim Committees on Education annual reports of school performance or compliance that the office submits to the Secretary of the Arkansas Department of Education.

SECTION 10. Creation of the Office of Administrative Support within the Arkansas Department of Education.

(a) Effective July 1, 2004, there is created within the Arkansas Department of Education an Office of Administrative Support.

(b) The Secretary of the Arkansas Department of Education shall select an individual to serve as the Administrative Officer of the Arkansas Department of Education.

(c) The Administrative Officer shall prepare a proposed organization of support staff plan with guidance from the Secretary of the Arkansas Bureau of Education and approval by the Governor. The support staff employee organization plan shall be presented for review to Arkansas Legislative Council when the General Assembly is not in session or the Legislative Joint Budget Committee when the General Assembly is in session.

(d) Each individual serving in any capacity within the structure of the Office of Administrative Support of the Arkansas Department of Education shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(e) The Office of Administrative Support shall be responsible for all administrative functions of the Arkansas Department of Education including but not limited to human resources, communications, budget, and finance.

SECTION 11. Creation of the Office of Public Schools Academic Facilities within the Arkansas Department of Education.

(a) Effective July 1, 2004, there is created within the Arkansas Department of Education an Office of Public Schools Academic Facilities.

(b) The Public Schools Facilities Officer shall prepare a proposed organization of support staff plan with guidance from the Secretary of the Arkansas Bureau of Education and approval by the Governor. The support staff employee organization plan shall be presented for review to Arkansas Legislative Council when the General Assembly is not in session or the Legislative Joint Budget Committee when the General Assembly is in session.

(1) The organizational structure of this office shall include the following individuals, who shall be hired by and serve at the pleasure of the Secretary of the Arkansas Department of Education:

(A) A person currently licensed as a professional architect in the State of Arkansas to serve as the Public Schools Academic Facilities Officer.

(B) One member of the Office of Information Technology assigned by the Arkansas Executive Chief Information Officer to serve as a technology liaison to the Public Schools Academic Facilities Officer.

(C) One member of the Arkansas Building Authority assigned by the Director of the Arkansas Building Authority to serve as a physical plant liaison to the Public Schools Academic Facilities Officer.

(D) Support staff as deemed necessary by the Secretary of the Arkansas Department of Education.

(E) Each individual serving in any capacity within the structure of the Office of Administrative Support of the Arkansas Department of Education shall be classified as exempt from the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.).

(c) The Office of Public Schools Academic Facilities shall conduct an educational facilities needs assessment to be completed and presented to the Director of the Arkansas Bureau of General Education no later than June 30, 2005.

(1) This assessment shall be a comprehensive review, district by district, of all existing facilities, including technology in each district.

(d) The Director of the Arkansas Bureau of General Education shall present a report on the educational facilities needs assessment, based on the

report from the Office of Public Schools Academic Facilities, to the Arkansas State Board of General Education no later than August 1, 2005.

(e) The Director of the Arkansas Bureau of General Education shall prepare a report, under the direction of the Arkansas State Board of General Education, for presentation to the Governor and the House and Senate Education Committees no later than September 1, 2005. This report shall include recommendations on the most critical facilities and technology needs and provide priorities for each category.

(f)(1) Effective January 1, 2006, the Office of Public Schools Academic Facilities shall on a quarterly basis receive a list of any repair in excess of five thousand dollars (\$5,000), new construction in excess of twenty-five thousand dollars (\$25,000), or technology needs in excess of ten thousand dollars (\$10,000) from each school district in the state.

(2) The Public School Academic Facilities Officer shall have the responsibility for creating a standardized reporting format and selecting the medium to be utilized by school districts in the preparation and submission of the report to the Office of Public Schools Academic Facilities.

(3) The data gathered from the reports generated by the school districts shall be presented to the Director of the Arkansas Bureau of General Education for compilation into an annual report to the Governor and the House and Senate Education Committees on the facilities needs in the state.

(4) The Office of Public Schools Academic Facilities shall conduct any reviews, site visits, and other research during the year to assist in preparation of the annual report.

(g) The Director of the Arkansas Bureau of General Education shall present to the Governor and the House and Senate Education Committees an annual report on the public facilities status including the facilities and technologies needs and priorities for each category.

(h) No later than September 30 of each even numbered year of the biennium, the Director of the Arkansas Bureau of General Education shall present to the Governor and the House and Senate Education Committees the list of public school facilities and technology improvements proposed for the next biennium.

Section 12. Creation of the Office of Education Renewal Zones within the Arkansas Department of Education

(a) Effective July 1, 2004, there is hereby created within the Arkansas department of Education the office of Education Renewal Zones.

(b) The Education Renewal Zone Officer shall prepare a proposed organization of support staff plan with guidance from the Secretary of the Arkansas Department of Education and approval by the Governor. The support staff employee organization plan shall be presented for review to Arkansas Legislative Council when the General Assembly is not in session or the Legislative Joint Budget Committee when the General Assembly is in session.

(c) The Office of Education Renewal Zones shall be responsible for developing guidelines for the approval of Education Renewal Zone strategic plans and guidelines for the evaluation and reporting of Education Renewal Zone activities.

(d) The Office of Education Renewal Zones shall approve any Education Renewal Zone strategic plan prior to the disbursement or annual renewal of funds to participating institutions of higher education.

(e) Effective July 1, 2004, any public school, education service center and institution of higher education is authorized to enter into one or more inter-local agreement through which they collaborate to improve public school performance and academic achievement.

(1) Each inter-local agreement shall establish an Education Renewal Zone.

(2) The purpose of an Education Renewal Zone shall be:

(A) To identify and implement education and management strategies designed specifically to improve public school performance and student academic achievement throughout the state of Arkansas, with special focus on the state's most academically distressed public schools.

(B) To provide for collaboration among the state's smaller schools and districts in order to achieve some of the advantages of economies of scale in providing educational and related activities.

(C) To maximize benefits and outcomes of public schooling by concentrating and coordinating the resources of Arkansas's higher education institutions, the expertise of the regional education service centers, and the technical assistance of other service providers to improve public school performance and student academic achievement.

(D) To enable small, rural and low-wealth schools to make the best use of the latest cost-effective distance learning technology to enhance curricula and professional development through two-way interactive learning environments.

(f) Each Education Renewal Zone shall consist of the following:

(1) Higher Education Partner (HEP)

(A) The Office of Education Renewal Zones shall develop, publish and disseminate guidelines for establishing an Education Renewal Zone, including a process for selecting a qualified Education Renewal Zone Higher Education Partner (HEP) in each of the fifteen (15) educational service centers areas in the state and in Pulaski County.

(B) A qualified higher education institution shall meet the following minimum requirements:

(i) A school or department of education, or

(ii) A comprehensive four-year teacher preparation program, and

(iii) Be capable of demonstrating a willingness and flexibility to restructure its programs and services to meet the needs of the participating K-12 schools and school districts.

(iv) The Office of Education Renewal Zones shall give preference to qualified four-year higher education institutions located within the educational service center area.

(C) In the event that there is no qualified four-year higher education institution located within the education service center area, the Office of Education Renewal Zones may select:

(i) A two-year higher education institution that, in collaboration with a qualified four-year educational institution located in another education service center area, provides a comprehensive four-year teacher preparation program, or

(ii) A qualified higher education institution located in another educational service center area.

(iii) An institution of higher education may serve as the HEP for more than one educational service center area.

(2) Educational Service Center (ESC)

(A) The Educational Service Center shall be a full partner in planning, implementing and evaluating the Education Renewal Zone in its

respective service area and shall provide direct services as called for in the Education Renewal Zone Plan.

(3) Public Schools

(A) Public schools may participate in an Education Renewal Zone upon successful application by the public school district of which the school is a part.

(B) The application for admission to the Education Renewal Zone shall be submitted to the Office of Education Renewal Zones at a time and in a manner as prescribed via rule or standard by the Office of Education Renewal Zones.

(i) Acceptance or rejection of the application by a school for admittance to an Education Renewal Zone shall be the responsibility of the Office of Education Renewal Zones, with consultation from the Higher Education Partner.

(ii) The Office of Education Renewal Zones may include within an Education Renewal Zone any school within the Education Service Center area provided that no more than ten (10) schools may participate in any single Education Renewal Zone.

(iii) The Office of Education Renewal Zones may designate up to a maximum of three (3) Education Renewal Zones within any single Education Service Center area.

(C) In designating Education Renewal Zones and selecting schools for participation in a particular zone, the Office of Education Renewal Zones shall give priority to schools that meet one or more of the following criteria:

(i) The school is classified as "School Improvement Schools" or "Alert Status for School Improvement" under the Arkansas state compliance plan under the federal Elementary and Secondary Education Act of 2002, the No Child Left Behind Act.

(ii) The school lies within a school district classified as in "Academic Distress" or "Financial Distress" under the Arkansas Comprehensive Testing, Assessment, and Accountability Program.

(iii) The school demonstrates an inability to hire and retain highly qualified teachers as defined by the state plan for compliance with the No Child Left Behind Act.

(iv) The school demonstrates an inability to provide the minimum number of course offerings as determined by the state through the conventional hiring of qualified teachers.

(v) The school is within a school district with an average daily membership of fewer than one thousand five hundred (1,500) students.

(vi) The school serves a student population that exceeds the average rate of participation in free or reduced price lunch programs.

(4) Local Advisory Group

(A) Each Education Renewal Zone shall form a local advisory group comprised of a representative of the following groups:

(i) The Higher Education Institution Partner

(ii) The Education Service Center which includes the area in which the Education Renewal Zone is located

(iii) The public school or school district participating in the Education Renewal Zone.

(iv) Each community in which there is a school participating in the Education Renewal Zone.

(B) The Office of Education Renewal Zones may designate up to a maximum of three (3) Education Renewal Zones within any single Education Service Center area.

(5) Technical Assistance Provider (TAP)

(A) Any two-year community or technical college, technical support organization, or other entity may participate in the Education Renewal Zone at the discretion of the Office of Education Renewal Zones and in collaboration with a designated Higher Education Institution Partner and a designated Education Service Center.

(g) The Office of Education Renewal Zones, the Arkansas Bureau of General Education and the local school districts shall exercise due diligence to assure that all schools classified as "School Improvement Schools" under the No Child Left Behind Act are included in a designated Education Renewal Zone.

(h) The Office of Education Renewal Zones may, at its discretion, include any school regardless of its eligibility under the foregoing criteria, if it determines that on the basis of location, characteristics of

its faculty or leadership, needs of the students, or other factors, in the judgment of the Office of Education Renewal Zones, that the inclusion of such school significantly strengthens the prospect of the Education Renewal Zone in meeting its school improvement goals.

(i) The Office of Education Renewal Zones may, at its discretion, change participating schools within each Education Renewal Zone.

(j) Each school participating in an Education Renewal Zone shall develop and implement a school improvement plan.

(1) Each school improvement plan shall at a minimum include the following:

(A) Goals for improving student achievement

(B) Measurable benchmarks for achieving student improvement goals.

(C) A timeline for reaching goals in improving student achievement.

(D) Requirements for services to be provided by the Education Renewal Zone Partners.

(k) The partners within a specific Education Renewal Zone shall develop a strategic plan that is responsive to the needs of the individual school improvement plans.

(1) The Education Renewal Zone Strategic Plan shall at a minimum provide for the following:

(A) Collaboration between and among the higher education institution partners, education service centers, schools and communities participating in the Education Renewal Zone, including within the academic departments within the higher education institution partners

(B) A comprehensive program of professional development to assure the practical knowledge base of pre-service and in-service teachers with respect to pedagogical practice, content knowledge, and competent use of distance learning technology.

(C) Enhancement and expansion of local school curricula offerings through the use of two-way interactive television to include advanced placement, dual-credit and advanced high school courses,

(D) The sharing of faculty for core course offerings when schools are unable to hire highly qualified teachers in core subject areas

required for college entrance or teachers necessary to meet state accreditation standards,

(E) A strategy to recruit and retain highly qualified teachers with particular focus on hard-to-staff schools,

(F) A system for mentoring teachers with three (3) or fewer years of professional service,

(G) Active participation of the community in the work of the school,

(H) Active involvement of parents in the academic work of the student, and

(I) A means of collecting the data necessary to evaluate the progress of each participating public school and the Education Renewal Zone in its entirety.

(m) Each Education Renewal Zone, using guidelines and indicators set by the Office of Education Renewal Zones, shall prepare an annual report to the Office of Education Renewal Zones describing the progress toward accomplishing the goals of the Education Renewal Zone.

(n) The Office of Education Renewal Zones shall prepare an annual report to the Governor, the General Assembly, and the Arkansas State Board of General Education describing the progress toward accomplishing the goals of the individual Education Renewal Zones and the overall Education Renewal Zone program.

(o) The Office of Education Renewal Zones shall establish a website, accessible by the public, to provide for broad dissemination of both the Education Renewal Zone plans and strategies and the results of the annual reports on progress toward accomplishing the goals of the individual Education Renewal Zones and the overall Education Renewal Zone program.

SECTION 13. Employment and benefit status

(a) Effective 11:59 p.m. on Wednesday, June 30, 2004, the current Department of Education is hereby abolished.

(b) Effective 11:59 p.m. on Wednesday, June 30, 2004, all personnel positions created under Section 1 of Act 1608 of 2003 and Section 2 of Act 51 of the first Extraordinary Session of 2003, are hereby abolished and terminated.

(c) Section 1 of Act 1608 of 2003 and Section 2 of Act 51 of the first Extraordinary Session of 2003 are hereby repealed effective 11:59 p.m. Wednesday, June 30, 2004, and all employment positions within the Department of Education are terminated.

(d) This act shall in no way be construed to prohibit the Secretary of the Department of Education or the Director of the Bureau of General Education of the Department of Education from rehiring an employee of the existing Department of Education whose employment position was terminated pursuant to this act.

(e) This act shall in no way be construed to interrupt, prohibit or cause to cease to exist any employment or retirement benefits entitled to state employees employed immediately prior to July 1, 2004, by the Department of Education, the Department of Higher Education, the Department of Workforce Education or any other board, commission, institute, department, agency or other entity not specifically named which is transferred pursuant to this act when such employees are subsequently employed by the Department of Education effective July 1, 2004.

SECTION 14. Arkansas Code § 6-1-101(b), pertaining to the requirements of an audit report by an independent accountant, is amended to read as follows:

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include, as a minimum and as an integral part of the annual financial report, a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 - 14-75-104;

(2) School officials prohibited from having interest in sales to school and from receiving pecuniary profits for favorable actions, §§ ~~6-13-628~~, 6-21-601, 6-21-603;

(3) School elections, §§ 6-14-102, 6-14-118;

(4) Management of schools, §§ ~~6-13-617~~ ~~6-13-620~~ §§ 6-13-637 - 6-13-643 and 6-13-701;

(5) Revolving loan fund, §§ 6-19-114, 6-20-801, 6-20-802;

(6) District finances, §§ 6-20-402, 6-20-409;

(7) District school bonds, §§ 6-20-1208, 6-20-1210;

(8) Teachers and employees, §§ 6-17-201, 6-17-203 - 6-17-206, 6-17-301, 6-17-401;

(9) Teachers' salaries, the Minimum Foundation Program Aid Act, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-911 - 6-17-915, 6-17-918, and 6-17-919;

(10) Surety bonds if district has district treasurer, § 19-1-403;

(11) Deposit of funds, §§ 19-8-104, 19-8-106;

(12) Investment of funds, § 19-1-504; and

(13) Improvement contracts, §§ 22-9-201 - 22-9-205.

SECTION 15. Arkansas Code § 6-1-202(c)(3), pertaining to the location of the Arkansas Leadership Institute for Teachers of the Delta, is amended to read as follows:

(3)(A) A-Lift shall be located in Helena, Pine Bluff, or Monticello at an existing site with space available to house the institute.

(B) An existing site may be a two-year institution, a four-year institution, ~~an education service cooperative~~, or other institution.

(C) Preference for location shall be given to four-year institutions or ~~education service cooperatives~~ possible education service centers in Helena, Pine Bluff, or Monticello that have experience in professional development support mentoring, teacher licensure, and teacher quality.

(D) The board shall have authority to issue the requests for proposals site selection, and the selection shall be based upon a response to a request for proposal issued through the board.

SECTION 16. Arkansas Code § 6-10-109(b)(1), pertaining to entities that are eligible for grants to operate Parents As Teachers programs, is amended to read as follows:

(b)(1) Only public school districts or ~~education service cooperatives established under Act 103 of the Extraordinary Session of 1983 [repealed] or under § 6-13-1001 et seq.~~ education service centers are eligible for grants to operate Parents As Teachers programs.

SECTION 17. Arkansas Code § 6-11-118 is repealed.

SECTION 18. Arkansas Code § 6-11-124 is repealed.

SECTION 19. Effective July 1, 2004, Arkansas Code § 6-11-128 is amended the following subsection:

(b) After approval by the Arkansas Bureau of General Education, a school district may use a different software system at the district level if:

(1) The Arkansas Bureau of General Education determines that the district's software meets the minimum reporting requirements provided by the network; and

(2) The district supplies all district transaction information to the network in a compatible format and in sufficient detail as required by the Arkansas Bureau of General Education.

SECTION 20. Effective July 1, 2004, Arkansas Code § 6-12-301 is repealed.

SECTION 21. Effective July 1, 2004, Arkansas Code § 6-12-302 is repealed.

SECTION 22. Effective July 1, 2004, Arkansas Code § 6-12-303 is repealed.

SECTION 23. Effective July 1, 2004, Arkansas Code § 6-12-304 is repealed.

SECTION 24. Effective July 1, 2004, Arkansas Code § 6-12-305 is repealed.

SECTION 25. Effective July 1, 2004, Arkansas Code § 6-12-306 is repealed.

SECTION 26. Effective July 1, 2004, Arkansas Code § 6-12-307 is repealed.

SECTION 27. Effective July 1, 2004, Arkansas Code § 6-12-308 is repealed.

SECTION 28. Effective July 1, 2004, Arkansas Code § 6-12-309 is repealed.

SECTION 29. Effective July 1, 2004, Arkansas Code § 6-12-310 is repealed.

SECTION 30. Effective July 1, 2004, Arkansas Code § 6-12-311 is repealed.

SECTION 31. Effective July 1, 2004, Arkansas Code § 6-12-312 is repealed.

SECTION 32. Effective July 1, 2004, Arkansas Code § 6-12-313 is repealed.

SECTION 33. Effective July 1, 2004, Arkansas Code § 6-12-314 is repealed.

SECTION 34. Arkansas Code § 6-13-101 is repealed.

SECTION 35. Arkansas Code § 6-13-102 is amended to read as follows:

6-13-102. Body corporate - Name.

(a) Each school district in the state shall be a body corporate, may contract and be contracted with, and may sue and be sued in its corporate name, which shall be the name ~~it now has unless changed~~ established by the State Board of General Education on July 1, 2004, unless subsequently changed by the state board.

(b) The state board in naming school districts shall name them, " Provisional School District ~~No.~~ of County", or School District of County", giving each district a name and showing the name of the county in which situated, and if it has territory in more than one (1) county, then the name of the county that is the domicile of the district.

(c) A certificate showing the name authenticated by the state board shall be filed with the county clerk of the county or of each county in which there is any territory of the district and by him inscribed in a book kept by him for that purpose.

(d) All school districts shall have the right to acquire and hold real estate and all other classes of property.

SECTION 36. Arkansas Code § 6-13-106 is amended to read as follows:

6-13-106. ~~Districts where no high school is maintained~~ High schools.

(a)(1) Any school district in this state ~~wherein~~ in which a high school ~~facilities are~~ is not maintained may contract with another school district for the furnishing of high school facilities for the pupils of that district upon such terms and conditions as ~~to the respective board of directors~~ State Board of General Education may ~~appear~~ find reasonable and proper.

~~(b)~~ (A) These districts are authorized to pay, for the facilities, and the tuition of such pupils out of ~~the school fund apportioned to the districts from the Public School Fund of the State of Arkansas~~ any combination of non-restricted federal, state, and local funds.

~~(c)~~ (B) These school districts may also contract and provide for the transportation of pupils.

(b)(1) Any high school extant on July 1, 2004, may remain open and functioning under the following conditions:

(A) The high school can meet the curriculum, facility, and accreditation standards; and,

(B) The high school can demonstrate to the State Board of General Education that it can operate efficiently and meet all teacher salary requirement set by law.

(2) Any high school that cannot meet the requirements set forth in subsection (1) of this section may also remain open and functioning if the school district can demonstrate to the State Board of General Education that the high school can meet curriculum, accreditation, facility, and efficiency standards and meet teacher salary requirements by entering into cooperative agreements with other high schools or post-secondary institutions to share faculty, equipment and facilities or by utilizing distance education technologies.

(3) Any high school that cannot meet the requirements set forth

in subsections (1) and (2) of this section may also remain open and functioning if the school district can demonstrate to the State Board of General Education that it would be unduly cost-prohibitive to transport the students to another high school because of the geographical terrain.

(4) Any high school that cannot meet the requirements set forth in subsections (1), (2), and (3) of this subsection shall be closed and the students shall be given freedom of choice to attend another high school located within the school district or in another school district.

(c) After July 1, 2004, the State Board of General Education shall have the power to determine the need for and location of any new high school to be located in a school district upon petition of the school board of the school district.

SECTION 37. Arkansas Code Title 6, Chapter 13, Subchapter 1 is amended to add eleven (11) additional sections to read as follows:

6-13-111. Classes of school districts.

(a) There shall be one (a) class of school district in this state and each district shall have the same prerogatives, powers, duties, and privileges as provided by law.

(b)(1) Provisional School Districts:

(A) As of January 1, 2004, any school district that existed in the state before that date shall become provisional school districts. Provisional school districts shall have provisional right to prerogatives, powers, duties, and privileges as provided by law, until such time as a review of the provisional school district's ability to meet the requirements as set forth in law or State Board of General Education rule and regulations.

(B) Effective July 1, 2004, any provisional school district failing to meet the requirements set forth in this section shall be consolidated, annexed, or reconstituted as determined by the State Board of General Education.

(C) Effective July 1, 2004, every provisional school district will be reclassified as a school district, as provided in subsection (2) or shall cease to exist.

(2) School Districts:

(A) Effective July 1, 2004, any school district that existed in this state as a provisional school district, which does not

qualify under subsection (b)(2)(B), and successfully demonstrates to the State Board of General Education that it does meet all curriculum, accreditation, efficiency, and facility standards set forth in law or in rule and regulation adopted by the State Board of General Education and can comply with all laws including those concerning teacher's salaries in the future shall be re-designated a school district.

(B) Any provisional school district that existed in this state prior to July 1, 2004 and had an average daily membership for the 2003-04 school year at the high school level, meaning grades nine (9) through twelve (12), of three hundred seventy-five (375) or higher, shall be re-designated as a school district.

(C) After the effective date of this Act, any school district that has an average daily membership at the high school level, meaning grades nine (9) through twelve (12), of less than three hundred seventy-five (375) for two (2) consecutive years may be dissolved and merged with one or more other school districts unless the district demonstrates that it can meet all of the provisions in subsection (b)(2)(A) to the State Board of General Education.

(c) Prior to July 1, 2004, the State Board of Education and after July 1, 2004, the State Board of General Education shall determine the boundaries of the merged provisional school districts and school districts.

(d) In determining the boundaries of new districts, the State Board of Education or the State Board of General Education need not abide by either county boundaries or boundaries of provisional school districts or school districts.

(e) In determining the boundaries of a school district, the State Board of Education or the State Board of General Education shall bear in mind the demographics of the school districts in a manner as to not promote or foster racial segregation of the public education system in Arkansas.

(f) Effective July 1, 2004, the State Board of General Education shall determine the need for and location of any new high school to be located in a school district upon petition of the school board of the school district.

6-13-112. Elementary, Middle, and Junior High Schools.

(a) On July 1, 2004, all elementary, middle, and junior high schools that offer courses and curricula through eighth grade in existence at that

time shall remain in existence, unless that school fails to meet the accreditation standards as set by the Arkansas State Board of General Education.

(b) After July 1, 2004, the State Board of General Education shall have the power to determine the need for and location of new elementary, middle, or junior high schools to be located in school districts upon petition of the school board of the school district.

6-13-113. Failure to meet standards.

(a) The State Board of General Education may reorganize any school district that fails to meet the curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements as determined by the Bureau of Education and the Arkansas General Assembly.

(b)(1) The board shall have complete authority to reorganize a school district under subsection (a) in any manner that the board determines is necessary.

(2) To reorganize a school district the board may consolidate, annex, merge, or detach part of the school district with one (1) or more other school districts or the dissolution of the school district into multiple school districts.

(c) If a school district fails to meet curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements in any given year, the Director of the Bureau of Education shall take immediate action to correct the situation, including, but not limited to, removal of the superintendent.

(d) After July 1, 2004, any school district that fails to meet curriculum, accreditation, efficiency, or facilities standards or teacher salary requirements as determined by the Arkansas State Board of General Education or set forth in law.

6-13-114. Closure of schools.

Subsequent to reorganization instituted by this Act and the completion of efficiency, adequacy, and facilities studies, only the State Board of General Education may close any school due to continued poor performance by students or failure to meet curriculum, accreditation, facility, or efficiency standards and teacher salary requirements. Recommendations of

school district boards of directors and school superintendents shall be considered in any deliberations of the State Board of General Education.

6-13-115. Title.

This subchapter shall be known and may be cited as the "Administrative Accountability Law".

6-13-116. Purpose.

The purpose of this subchapter shall be to assist the State Board of General Education and the Bureau of General Education to provide substantially equal educational opportunities to all students.

(b) For the purposes of this subchapter, as the case shall require, these terms shall have the following meaning;

(1) "School board member" means a member of a school district board of directors as defined in Title 6, Chapter 13, Subchapter 6 of the Arkansas Code or the member of a board of directors of an education service center as defined in § 6-13-1603; and

(2) "School Superintendent" means a superintendent of a public school district as defined in § 6-13-109 or the director of an education service center as defined in § 6-13-104.

6-13-117. Rules and regulations- State Board of General Education.

(a)(1) By July 1, 2004, the State Board of General Education shall promulgate rules and regulations to establish and implement a program for identifying, evaluating, and addressing actions or violations by a school superintendent or education service center director that jeopardize the fiscal or academic integrity of a school or school district under § 6-17-410.

(2) Actions or violations by a school superintendent that jeopardize the fiscal or academic integrity of a school or school district may include, but are not limited to, violations of Arkansas or federal law, rules and regulations, and reporting requirements.

(b)(1) By July 1, 2004, the State Board of General Education shall promulgate rules and regulations to establish and implement a program for identifying, evaluating, and addressing actions or violations by a school board director or education service center director that jeopardize the fiscal or academic integrity of a school or school district.

(2) Actions or violations by a school board director or education service center director that jeopardize the fiscal or academic integrity of a school or school district may include, but are not limited to, violations of Arkansas or federal law, rules and regulations and reporting requirements.

(c) If the Bureau of General Education determines that any school superintendent, education service center director or school board director has committed an action or violation that may jeopardize the fiscal or academic integrity of a school, education service center, or school district, a written notice of the board's finding shall be submitted in writing via certified mail to that individual and the school district board of directors, or education service center executive committee members.

(d)(1) The school superintendent under § 6-17-410, education service center director, or school board director under this subchapter may appeal to the State Board of General Education concerning any determination or any ruling by the department as allowed for under subsection (c) of this section.

(2) Any appeal under this subchapter must be made within fifteen (15) days of the department's ruling, and the State Board of Education shall act on the appeal within sixty (60) days of receipt of the appeal.

(3) Any decision of the State Board of General Education may be appealed within thirty (30) days to the Pulaski County Circuit Court or the Circuit Court which has jurisdiction over where the main domicile of the school district is located, under the Administrative Procedures Act.

6-13-118. Enforcement.

(a) The State Board of General Education, using the same procedure as required under § 6-17-410 for cause, may revoke, suspend, or place on probation the professional license of the superintendent or education service center director based on the action or violation that jeopardizes the fiscal or academic integrity of the school or school district.

(b) In the case of a school board director, the State Board may, at a public hearing using procedures required in this subchapter, determine whether a school board director is unqualified to hold the school board position to which the director was elected under § 6-13-637.

6-13-119. Superintendent contract.

(a) Every school superintendent contract with a public school district shall require that the terms and conditions of the contract shall become void upon the revocation or suspension of the school superintendent's license and that the terms and conditions of the contract shall become voidable at the option of the district if the school superintendent's license is placed on probationary status under § 6-17-410.

(b) A superintendent contract with a public school district shall not be for a term greater than three (3) years.

(c) No contract between a superintendent and a public school district shall provide any greater right or claim of employment or compensation beyond those rights allowed by this subchapter.

6-13-120. School board director qualifications.

(a) No person shall have any qualification or right to hold an elected school board position beyond the terms and conditions of this subchapter.

(b) The Director of the Bureau of General Education may request the Attorney General begin usurpation of office action under § 16-118-105 against any school board director identified by the State Board of General Education as unqualified for office, but who refuses to vacate the office.

6-13-121. Establishment of new school board.

(a) If the majority of the board of directors are determined to not be qualified to hold office and are removed, the Bureau of General Education may call for the election of a new school board for the district.

(b) If an election is called under this section, the district shall reimburse the county board of election commissioners for election costs as otherwise required by law.

SECTION 38. Effective July 1, 2004, Arkansas Code §§ 6-13-604 through 6-13-634 are repealed.

SECTION 39. Arkansas Code Title 6, Chapter 13, Subchapter 6 is amended to add additional sections to read as follows:

6-13-635. School district boards of directors - Creation and size.

(a) All school districts shall have a board of directors consisting of five (5), seven (7), or nine (9) members.

(b)(1) Any school district board of directors may petition the State Board of General Education to change the number of its members, so long as that number of members is five (5), seven (7), or nine (9) members on condition that:

(2)(A) Notice of the filing of the petition shall be published within ten (10) days thereafter by one (1) insertion in some newspaper having a general circulation in the district.

(B) Upon a showing that an increase or decrease in the number of board members will be beneficial to the district petitioning for it, the state board may increase or decrease the number of directors for the district.

(C) The order directing an increase or decrease in the number of board members shall be entered not more than sixty (60) days after the publication of the notice.

(D) The order directing an increase or decrease in the number of board members shall contain one (1) of the following methods for implementing the order:

(i) If there is a decrease in the number of directors, the directors in the effected zones shall draw lots to determine who will leave the board;

(ii) If there is an increase in the number of directors, an individual will be appointed to serve in each of the effected zone in the same manner as filling other vacancies on the board of directors.

6-13-636. School district boards of directors - Election zones.

(a) (1) Except as provided in subdivision (a)(2) of this section, each school district shall elect its board of directors from single member electoral zones with the exception that those school districts with seven (7) or nine (9) members may have two (2) of those members elected at large.

(2)(A) Any school district that can demonstrate to the State Board of General Education that it is in compliance with the Voting Rights Act of 1965, as amended in 1982, shall be allowed to elect its school district board of directors at-large until such time that the school district is found by a court of competent jurisdiction to be in violation of the Voting Rights Act.

(B)The state board shall promulgate rules and regulations and prepare forms to establish a process by which school districts may comply with § 6-13-636(2).

(b) By August 1, 2004, and every August 1 two years after the federal decennial census, any school district that elects the members of the board of directors from single member zones shall produce and file with the county board of election commissioners a map, a legal description, or both, of its electoral zones to be used at the next school election.

(c)(1) At the 2004 annual school election, any school district having boundaries that have changed since the 2003 annual school election shall conduct an election at which all of its members are elected from single member zones as modified in subdivision (a)(1) of this section.

(2) At the first meeting of the board of directors following the 2004 school election in those districts to which subdivision (c)(1) applies, members shall draw lots for term lengths in compliance with 6-13-638.

(d)(1) Upon completion of the 2010 decennial census and every decennial census thereafter, and ninety (90) days before the 2012 school election and every school election falling two (2) years after of the decennial census, the school district shall redraw its electoral zones to be in compliance with the federal Voting Rights Act and the Fourteenth Amendment of the United States Constitution.

(2) The election following the adjustment of electoral zone boundaries shall be of the same manner as provided in subsection (c) of this section.

6-13-637. Qualifications for office and oath.

(a)(1) No person shall be eligible to be a member of any school district board of directors in this state unless he or she is a qualified elector of the school district and electoral zone in which he or she serves.

(2) No person who is elected to a school district board of directors shall be eligible for employment in that school district.

(3) No person shall be eligible to be a member of any school district board of directors in this state if the State Board of General Education has determined under the Administrative Accountability Law that the person committed an act or violation that jeopardized the fiscal or academic integrity of a school or school district.

(b)(1) Each director elected or appointed shall, within ten (10) days after receiving notice of his or her election or appointment, subscribe to the following oath:

"I, _____, do solemnly swear or affirm, that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will not be interested, directly or indirectly, in any contract made by the district of which I am a director, except as permitted by state law and that I will faithfully discharge the duties as school director in _____ School District of Arkansas, upon which I am about to enter."

(2) The county clerk, upon receipt of the oath prescribed for a director, shall immediately commission the persons, and they shall enter, at once, upon their duties as directors.

6-13-638. School district board of directors - Length of terms and vacancy in office.

(a)(1) All members of a school district board of directors shall be elected to a term of office of not less than three (3) years nor more than five (5) years in length and with the expiration of the terms so arranged that, as nearly as possible, an equal number of positions are filled each year.

(2) All members of a school district board of directors shall have terms of office of equal length.

(b)(1) If a vacancy occurs on the school district board of directors, the vacancy shall be filled by a majority vote of the remaining directors.

(2) If, as a result of several vacancies on the board, only a minority of the directors remains or if the remaining directors fail to fill vacancies within thirty (30) days, the vacancies shall be filled by appointment by the county quorum court of the county in which the school district is domiciled.

(3) All appointed directors shall serve only to the next annual school election, at which time the electors shall select, in the usual manner, directors to serve the unexpired terms of the vacating directors.

(c)(1)(A) When a member of the board of directors of any school district in this state pleads guilty or nolo contendere to, or is found

guilty of a felony, a vacancy shall immediately exist on that board of directors from the date of the final judgment of conviction.

(B) The prosecuting attorney who successfully prosecutes a school district board member for a felony shall immediately notify the remaining members of that board of the fact of the conviction and of the existence of a vacancy on the board of directors of the school district.

(2) When the State Board of General Education determines a member of the board of directors of any school district in this state has committed an act or violation that jeopardizes the fiscal or academic integrity of a school or school district under the Administrative Accountability Law, § 6-15-1601, et seq., a vacancy shall immediately exist on that board of directors from the date of the final determination of the State Board of General Education.

(3) The remaining members of the board of directors of the school district shall at their next regular meeting select a person to fill a vacancy created under this subsection (c) until the next regular school election, at which election a successor member shall be elected for the remaining portion of the vacated term.

(d)(1) In cases where directors have entered the services of the armed forces of the United States, temporary vacancies on the boards are declared to exist until the end of the terms of the members or until their return to civilian life in the district if their return occurs before the expiration of their elected terms.

(2) These vacancies shall be filled in the manner prescribed by law, except that appointments of the successors shall be conditional upon the return of the members to resume their normal civilian activities in the district. Upon return, they may resume their duties as directors for their unexpired terms by written notice to the secretaries of their respective school boards.

(3) Directors appointed under this subsection (d) shall take the required oath of office and conform in all respects to legal provisions regarding directors.

(4) It shall be the duty of the secretary of the school board to notify the county clerk in which the school district is domiciled of the appointments within five (5) days after the appointment if made by the local

board. This notice shall state the name of the person whom the appointee is succeeding and the expiration date of the term of office.

(5) Directors serving in the armed forces shall be eligible for reelection in the usual manner prescribed by law. If reelected, the procedure for filling the temporary vacancies provided under this subsection (d) shall be again followed in the appointment of the successor to the absentee, and all other provisions of this section shall prevail.

(6) If there is a majority of the directors left after the absences mentioned in this section, the majority may act without notice to those so absent as fully and as effectively as if all directors were present.

(7) If there is more than a majority remaining after the absences, notice must be given for a reasonable length of time before the meeting to directors not so absent of the time, place, and purpose of a meeting of the board, unless the meeting is a regular and not a special or called meeting.

(e) If a member of the board of directors of a school district no longer resides in the school district, a vacancy shall exist and the vacancy shall be filled as provided by this section.

6-13-639. School district boards of directors - Organization.

(a) At the first regular meeting following the annual school election, the board of directors of each school district shall organize by electing:

(1) One (1) of their number president;

(2) One (1) of their number vice-president; and

(3) A secretary who may, but need not be, a member of the board.

(b)(1) The board, by resolution adopted by a majority vote, may designate the ex officio financial secretary as the disbursing officer of the district, and no warrant or other order of payment shall be valid in the absence of the manual or electronic signature as authorized by law of the disbursing officer.

(2) The resolution must be filed with the county treasurer and the Director of the Department of Finance and Administration.

(3)(A) The disbursing officer shall give bond in the amount of two thousand dollars (\$2,000) or an amount equal to ten percent (10%) of the total amount of estimated revenue of the school district for the school year covered by the bond, whichever is the greater, the maximum not to exceed

twenty thousand dollars (\$20,000), for the faithful discharge of his or her duties and for the proper accounting of all school money that may come into his or her hands or under his or her control.

(B) The surety on the bond shall be a surety company authorized to do business in the State of Arkansas.

(C) The bond shall be filed in the office of the county clerk and a copy filed with the Director of the Bureau of Education.

(D) The board shall pay for premiums of the bonds in the same manner as other fixed charges.

(4) Subdivision (b)(3) of this section shall only be operative if Arkansas Code Title 21, Chapter 2, Subchapter 7 is repealed or a person is not entitled to be bonded under this program.

6-13-640. School district boards of directors - Meetings.

(a)(1) The board of directors shall hold regular monthly meetings during the school term and shall meet on call of the president or any three (3) members of the board or when petitioned to do so by a petition in writing signed by fifty (50) electors in the district.

(2) Regular meetings of the school board and all school board committees, and special meetings of the school board and school board committees that deal with personnel or personnel policies, shall, except in emergency situations, be held after 5:00 p.m.

(b)(1) Minutes of regular and special meetings of the school board shall be kept by the secretary of the board and filed by him or her in a permanent record.

(2) This record shall also contain a copy of all budgets of the district and all reports of the county treasurer on the financial affairs of the district.

(c)(1)(A) A majority of a quorum voting affirmatively shall be required for the passage of any motion or resolution.

(B) Any member who abstains from voting shall be counted toward satisfying the quorum requirements, but shall not be counted as either for or against any motion.

(C) If a member announces a conflict of interest with regard to the issue, the member may leave the meeting until the voting on the issue is concluded.

(2) For the purposes of this section, a "quorum" shall be a majority of the membership of the board.

(d)(1) Any member of the board who misses three (3) regular and consecutive board meetings during a school year for any reason other than military service or illness of the member may be removed from office by a majority vote of the remaining board members, but only after an opportunity for a hearing before the board upon fifteen (15) days notice by personal delivery or by certified mail with return receipt signed by addressee only requested.

(2) If the board takes action to remove the member from office, the remaining members shall then appoint another individual to serve until the next annual school election, when electors shall select in the usual manner a director to serve the unexpired term of the removed member.

6-13-641. School district boards of directors - Publication of the budget and previous year's annual expenditures.

(a) The requirement of Article 14, Section 3 of the Arkansas Constitution, as amended, for publication of the budget shall be discharged by the board of directors of each school district by publication of its budget one (1) time in some newspaper published in the county or counties in which the district operates.

(b) The publication shall be made not less than sixty (60) days before the election at which the annual school district ad valorem tax is voted upon.

(c) At the same time as the publication of the budget, the school district shall publish the expenditures of the school district for the previous year, or the most recent year for which complete expenditure data is available.

6-13-642. School district boards of directors - Training and instruction.

(a)(1)(A) Effective July 1, 2004, all members of a school district board of directors elected for an initial or non-continuous term of office shall obtain a minimum of six (6) hours of training and instruction, including, but not limited to, the school laws of Arkansas and the laws, rules, and regulations governing the powers, duties, and responsibilities of

school boards, improvement of student achievement, academic and fiscal accountability, student assessment, school finance, and ethics by January 1, 2005.

(B) Beginning January 1, 2005, and each year thereafter, in addition to the six (6) hours training requirement, these new members of a school district board of directors shall also comply with all other training requirements contained in this section, for a total of fifteen (15) hours of training obtained between the time of their election and the end of their first full calendar year of office, and nine (9) hours each year thereafter.

(C) Beginning January 1, 2005, and every year thereafter, all existing and reelected board members shall obtain a minimum of nine (9) hours training and instruction, including, but not limited to, the school laws of Arkansas and the laws, rules, and regulations governing the powers, duties, and responsibilities of school boards, improvement of student achievement, academic and fiscal accountability, student assessment, school finance, and ethics by December 31 of each calendar year.

(D) Hours of training and instruction obtained in excess of the minimum requirements may cumulate and be carried over from year to year.

(2)(A) This instruction may be received from an institution of higher learning in this state, from instruction sponsored by the Bureau of Education, or by an in-service training program conducted by the Arkansas School Boards Association or some other provider.

(B) Any instruction not provided by the Department of Education shall be pre-approved as to form and content by the Department of Education.

(3) Any school board member completing a course of instruction shall receive a certification of completion, and a copy shall be entered in the minutes of the local school board on which he or she serves.

(4) If any member of a school district board of directors fails to obtain required training by the end of the calendar year, and fails to cure the deficiency by March 1 of the following calendar year and no time extension request having been filed, as determined by the records of the Bureau of Education, a vacancy shall exist on the board of directors by operation of law from the date of receipt of notification by the superintendent. The Bureau of Education shall immediately notify the superintendent by certified mail, return receipt requested, with a copy to

the board president, of the existence of a vacancy on the board of directors, and the resulting vacancy may be filled in accordance with the law.

(5)(A) If any member or members of a school district board of directors fails to obtain all required training by the end of the calendar year, the failure shall constitute one (1) citation against the district as measured by the Standards of Accreditation of Arkansas Public Schools.

(B) If a member of a school district board of directors is unable to obtain required training because of military service of the member or illness of the member verified by a written sworn statement of the member's attending physician, the Bureau of Education shall grant a time extension permitting the member additional time to obtain required training.

(C) The issuance of a time extension shall not constitute a citation against the district as measured by the Standards for Accreditation of Arkansas Public Schools and shall not operate to remove a member of a school district board of directors from office.

(b) Local school district boards of directors are authorized to pay per diem and other necessary expenses from funds belonging to the school district and to reimburse school board directors for expenses incurred in attending in-service workshops, conferences, and other courses of training and instruction required in completing the hours of instruction as required in subsection (a) of this section or other instruction as authorized and approved by the school district board of directors.

(c)(1) The State Board of General Education shall modify the Standards of Accreditation for Arkansas Public Schools as required by this section, and it shall be the responsibility of the Bureau of Education to receive and maintain records of instructional hours obtained by members of school district boards of directors.

(2) The State Board of General Education may promulgate rules and regulations consistent with the provisions and intent of this section.

6-13-643. School district boards of directors - Powers and duties.

(a) The board of directors of each school district in the state shall be charged with the following powers and perform the following duties, subject to those powers and duties reserved to the State Board of Education:

(1)(A) Employ teachers and other employees necessary for the proper conduct of the public schools of the district and make written

contracts with teachers and all other employees in the form prescribed by the State Board of Education.

(B) There shall be four (4) copies of each contract made:

(i) One (1) copy to be retained by the board;

(ii) One (1) copy to be given to the employee;

(iii) One (1) copy to be forwarded to the county treasurer if the county treasurer serves as treasurer for the school district; and

(iv) One (1) copy to be filed with the county clerk of the county in which the school district is domiciled.

(C) The issuing of annual contracts to personnel, other than substitute teachers, employed on a daily basis and teachers shall be in writing and shall recite the duration of employment, specific duties, and annual salary;

(2) Shall have the care and custody of the educational facilities, grounds, and other property belonging to the district and shall keep it in good repair and in sanitary and sightly condition;

(3) May lease sixteenth section lands located in the school district, individually or in conjunction with the other boards of directors of other school districts interested in the sixteenth section, as the case may be;

(4) May purchase buildings or rent educational facilities and sites therefore and sell, rent, or exchange the sites or educational facilities;

(5) Shall see that the curriculum prescribed by the state board or by law for all grades of schools in their district are taught;

(6) Shall visit classrooms frequently, but no less than annually, in the schools in their district while children are present, see to the welfare of the pupils, encourage them in their studies, and assist the teachers in the work so far as they can;

(7) Shall prepare and publish the district's budget for the ensuing year, in accordance with § 6-13-641;

(8)(A) May issue warrants on the county treasurer, when the county treasurer serves as treasurer of the school district, in accordance with the law for the payment of salaries due teachers and other employees and

for any other lawful purposes and declare in the warrants the consideration for which each is drawn.

(B) The warrant shall be in the form approved by the state board;

(9) Shall obtain from the county collector and county treasurer information from time to time as to the state of finances of their school district and keep their expenditures safely within the means of the district;

(10)(A) May buy and pay for, out of the school district's funds, supplies and technological resources which may be necessary for the efficient operation of the schools.

(B) However, no warrants shall be issued by any school board for the payment of the supplies or services set out in this subdivision until the supplies or services have been delivered to the school;

(11)(A)(i) Shall close the schools and cease paying the teachers for the remainder of that fiscal year, if it should be apparent that the schools cannot be operated for the remainder of the school year without incurring more indebtedness than that represented by outstanding bonds and those that may be issued for buildings, equipment for the school buildings, purchasing sites, and repairing school buildings or the improvement of sites.

(ii) Each contract made with the teachers shall be subject to that contingency, and the district shall not be liable teachers' salaries for the time the school is so closed.

(B) However, in cases of emergency, the state board may grant special permission to a district to create temporary current indebtedness.

(C) Nothing in this section shall prevent any school district board of directors from borrowing money from banks, from individuals, or from next year's revenue in order to provide funds in an amount that the maximum non-bonded indebtedness of its school district so incurred shall not be greater than the maximum non-bonded indebtedness of the district was, at any time, during the preceding fiscal year.

(D) If any non-bonded debt is funded by the issuance of bonds, the amount so funded shall not be considered in determining the maximum amount of non-bonded indebtedness during the preceding fiscal year;

(12) Shall publish on the district's web site:

(A) Minutes of regular and special meetings of the school board;

(B) The budget for the ensuing year;

(C) Financial breakdown of monthly expenses of the district;

(D) Salary schedule and fringe benefits for all employees;

(E) The school district's yearly audit; and

(F) The annual statistical report;

(13) May convey any of the district's sixteenth section lands in exchange for any other land that would be more beneficial to the district;

(14)(A) May employ legal counsel to defend the school district, any member of the board of directors, or any school official in any legal proceeding to which the school district, any member thereof, or any school official may be a defendant, when a proceeding is instituted against it or against any member of the board of directors, by virtue of his or her actions in connection with his or her duties as a board member.

(B) All costs, expenses, and liabilities of proceedings so defended shall be a charge against the school district and paid out of funds provided by the governing body of the school district;

(15)(A) May without any authorization by electors of the district execute and deliver oil, gas, and mineral leases upon the lands of the district, which leases are to contain the terms and are to be given for consideration as is acceptable to the board of directors.

(B) All oil, gas, and mineral leases covering lands of any school district, executed by the board of directors of the district, are valid, effectual, and binding on the district.

(C) All oil, gas, and mineral leases covering the lands of any school district of this state which have been made and executed by the board of directors of the district are declared to be binding on the district and effectual for all the purposes therein set out;

(16)(A) May purchase liability insurance to protect the individual members of the board of directors from legal liability for activities arising out of duties as a director, including liability arising out of alleged malfeasance, errors, omissions, wrongful acts not related to

bodily injury or property damage, and other actions taken in the performance of their duties as directors.

(B) The board of directors may pay the premium on the liability insurance policy from funds belonging to the school district; and

(17) May do all other things necessary and lawful for the conduct of efficient free public schools in the district.

(b) If the board of directors of a school district permits access to the school grounds, facilities, and records by any person or group of persons whose purpose is to make students aware of occupational and educational options and opportunities, the board shall also permit access on the same basis to official recruiting representatives of the military forces of the state and the United States to enable those representatives to inform students of educational and career opportunities available in the military.

SECTION 40. Arkansas Code § 6-13-801(b), pertaining to the authority of school districts to enter in to an educational compact, is amended to read as follows:

~~(b) If all of the school districts that have entered into a compact are within the service area of the same education service cooperative, that education service cooperative is~~ Education service centers are also authorized to enter into ~~the~~ a compact.

SECTION 41. Effective July 1, 2004, Arkansas Code § 6-13-901 is repealed.

SECTION 42. Effective July 1, 2004, Arkansas Code § 6-13-902 is repealed.

SECTION 43. Effective July 1, 2004, Arkansas Code § 6-13-903 is repealed.

SECTION 44. Effective July 1, 2004, Arkansas Code § 6-13-904 is repealed.

SECTION 45. Effective July 1, 2004, Arkansas Code § 6-13-905 is repealed.

SECTION 46. Effective July 1, 2004, Arkansas Code § 6-13-906 is repealed.

SECTION 47. Effective July 1, 2004, Arkansas Code § 6-13-1001 is repealed.

SECTION 48. Effective July 1, 2004, Arkansas Code § 6-13-1002 is repealed.

SECTION 49. Effective July 1, 2004, Arkansas Code § 6-13-1003 is repealed.

SECTION 50. Effective July 1, 2004, Arkansas Code § 6-13-1004 is repealed.

SECTION 51. Effective July 1, 2004, Arkansas Code § 6-13-1005 is repealed.

SECTION 52. Effective July 1, 2004, Arkansas Code § 6-13-1006 is repealed.

SECTION 53. Effective July 1, 2004, Arkansas Code § 6-13-1007 is repealed.

SECTION 54. Effective July 1, 2004, Arkansas Code § 6-13-1008 is repealed.

SECTION 55. Effective July 1, 2004, Arkansas Code § 6-13-1009 is repealed.

SECTION 56. Effective July 1, 2004, Arkansas Code § 6-13-1010 is repealed.

SECTION 57. Effective July 1, 2004, Arkansas Code § 6-13-1011 is repealed.

SECTION 58. Effective July 1, 2004, Arkansas Code § 6-13-1012 is repealed.

SECTION 59. Effective July 1, 2004, Arkansas Code § 6-13-1013 is repealed.

SECTION 60. Effective July 1, 2004, Arkansas Code § 6-13-1142 is repealed.

SECTION 61. Effective July 1, 2004, Arkansas Code § 6-13-1015 is repealed.

SECTION 62. Effective July 1, 2004, Arkansas Code § 6-13-1016 is repealed.

SECTION 63. Effective July 1, 2004, Arkansas Code § 6-13-1017 is repealed.

SECTION 64. Effective July 1, 2004, Arkansas Code § 6-13-1018 is repealed.

SECTION 65. Effective July 1, 2004, Arkansas Code § 6-13-1019 is repealed.

SECTION 66. Effective July 1, 2004, Arkansas Code § 6-13-1020 is repealed.

SECTION 67. Effective July 1, 2004, Arkansas Code § 6-13-1021 is repealed.

SECTION 68. Effective July 1, 2004, Arkansas Code § 6-13-1022 is repealed.

SECTION 69. Effective July 1, 2004, Arkansas Code § 6-13-1023 is repealed.

SECTION 70. Effective July 1, 2004, Arkansas Code § 6-13-1025 is repealed.

SECTION 71. Effective July 1, 2004, Arkansas Code § 6-13-1026 is repealed.

SECTION 72. Arkansas Code Title 6, Chapter 13 is amended to add a new subchapter:

6-13-1601. Education service centers - Establishment.

(a)(1) The State Board of General Education may establish education service centers in the state.

(2) The education service centers shall serve as intermediate service units and part of the Bureau of General Education and shall be

eligible to receive and expend funds from state and federal government, school districts, and other public and private sources.

(b) Education service centers established under this subchapter shall provide to schools and school districts assistance in:

(1) Using educational resources more effectively through cooperation among schools or school districts or refocusing of resources;

(2) Promoting coordination among schools, school districts, other institutions, and the Bureau of General Education in order to provide services that are consistent with providing an equal opportunity to an adequate education for each and every student; and

(3) Engaging parents in the support of programs that improve student achievement.

(c)(1) The General Assembly designates that the education service centers created by this subchapter meet the definition of "local education agencies" by virtue of the fact that each is a public authority, legally constituted within this state to perform a service function for a public elementary and secondary school in school districts and other political subdivisions of the state and to form a consortia of schools and school districts which are recognized by the General Assembly as administrative agents for public elementary and secondary schools.

(2) This section intends to recognize the function of the education service centers and to provide eligibility to the education service centers to receive state and federal funds upon written requests from the school districts.

6-13-1602. Education service centers - Area of service - Establishment and adjustment.

(a) The State Board of General Education shall establish the service area boundaries for the education service centers created under this subchapter.

(b) Each school district in the state shall be assigned to an education service center.

(c) The State Board of General Education, either upon the request of one (1) or more school district boards of directors or upon its own motion, and consistent with the provisions of this section, may alter the service

area of education service centers if it determines that an alteration of the service area is in the best interest of the students in the areas involved.

6-13-1603. Education service centers - Executive Committees.

(a) Each education service center shall have an executive committee to aid the director of the education service center in meeting the objectives of the education service center and the state.

(b)(1) The executive committee shall consist of eleven (11) individuals appointed by majority vote of the presidents of the boards of directors of the school districts in the service area of the education service center.

(2) The members of the executive committee shall each serve three-year staggered terms, with an equal number rotating off of the executive committee each year.

(3) The membership of the executive committee shall include five (5) superintendents or members of school district boards of directors, two (2) teachers, two (2) parents, one (1) representative from an institution of higher education, and one (1) representative of the business community.

(c) The duties of the executive committee are:

(1)(A) Establishment of policies and procedures for the operation and management of the education service center.

(B) The policies and procedures shall be in written form and shall be approved by and filed with the State Board of General Education.

(2) Making surveys or other inquiries that may be required to determine the service needs of school districts in the service area of the education service center and developing plans to provide the needed services;

(3) Implementation of policies established by the State Board of General Education for the operation of the education service center;

(4) Cooperation with other education service centers, school districts, and other agencies to provide programs and services for children and adults residing within their respective areas;

(5) Employing a director of the education service center; and

(6) Carrying out other duties that may be required for the efficient operation of the education service center.

(d)(1) The executive committee shall meet at least quarterly.

(2)(A) At least annually and on a schedule set by the Director of the Bureau of General Education, the education service center shall report to

the Director of the Bureau of General Education on the prior year's operations.

(B) The education service center's reports to the Director of the Bureau of General Education shall be written reports, with copies to each school and school district that is in the service area of the education service center.

(e)(1) Each education service center shall create an advisory committee consisting of one (1) representative selected by the board of directors of each school district in the service area of the education service center. The role of the advisory committee shall be to advise and give guidance to the executive committee and the director of the education service center.

(2) Each education service center may establish other committees of local school personnel needed to keep its programs responsive to the schools it serves.

6-13-1604. Education service centers - Director.

(a) Each education service center shall be administered by a director who shall perform the following duties:

(1) Administer the programs and services of the education service center;

(2) Direct expenditures of funds within the budget;

(3) Receive and expend funds needed to provide programs and services in the area;

(4) Secure and maintain facilities as are required to provide authorized programs and services;

(5) Supply any and all information and reports requested by the Director of the Bureau of General Education in a timely manner; and

(6) Perform other duties as required by either the executive committee of the education service center or the Director of the Bureau of General Education and the policies, rules, and regulations of the State Board of General Education.

(b) The director of each education service center shall:

(1) Hold an administrator's certificate and meet all requirements to serve as a superintendent of schools in the State of Arkansas; or

(2) Have an equivalent level of education and administrative experience and obtain the approval of the State Board of General Education.

(c) The executive committee of the education service center shall employ the director. The governing body of any education service center may enter into a contract with a director for a period not to exceed three (3) years.

(d)(1) If the Director of the Bureau of General Education determines that any director of any education service center fails to fulfill any of the provisions of this subchapter, then a written report of such finding shall be submitted to the executive committee of the education service center and the State Board of General Education.

(2) The director of the education service center shall be subject to the provisions of the Administrative Accountability Law as though he or she was a superintendent of schools.

6-13-1605. Education service centers - Personnel.

(a) The director of each education service center shall hire such qualified personnel as may be needed to fulfill the purposes of the education service center.

(b) No employee of the education service center shall be related within the second degree of consanguinity or affinity to the director of the education service center or any member of the executive committee of the education service center.

6-13-1606. Education service centers - Professional development center.

(a) Each education service center shall establish a professional development center that will provide curriculum development assistance, educational materials, and professional development services to educators, parents, and other community groups within the school districts in the service area or to other entities.

(b) A professional development coordinator, who shall report to the director of the education service center, shall manage the professional development center.

(c) Each professional development center shall develop, maintain, and deliver services to improve student, school, and school district academic performance and to implement initiatives identified by the Director of the Department of General Education.

(d)(1)(A) Each Professional Development Center shall develop a professional development plan.

(B) The plan shall be based on the requirements within the Professional Development Rules and Regulations, State Board of General Education priorities, student achievement data, and the school improvement plans of the member school districts.

(2) Improvement of student achievement shall be the prerequisite goal of all professional development.

(3) The plan shall include the purposes and descriptions of services the center shall provide to schools in school improvement and the other schools or entities served by the center.

(4)(A) Teachers, administrators, and classified school employees shall be involved in the design, implementation, and evaluation of the professional development offerings.

(B) The evaluation results shall be given to each group of employees and used for continuing improvement.

(e) Each professional development center shall annually report to the Director of the Bureau of Education regarding professional development activities for the previous year as required by the department.

(f) Each professional development center shall provide for the services of a mathematics specialist, literacy specialist, instructional technology specialist, and other specialists, including, but not limited to, gifted and talented, dropout prevention, special education, early childhood, as identified and required by the Bureau of General Education, with special attention and additional services provided to those schools and school districts with high concentrations of low income families or students from low income families as indicated by eligibility for the free or reduced price lunch program under the National School Lunch Act or any other act of the United States Congress, in existence on January 1, 2003.

6-13-1607. Education service centers - Technology support center

Each education service center shall to establish a technology support center for the purpose of:

(1) Providing relevant technology staff development for personnel of member schools;

(2) Assisting member schools with determining technology needs, technology planning, and the appropriate types of technology including computer hardware and software necessary to meet those needs;

(3) Assisting with technology system analysis and local network design;

(4) Providing member schools with information on technology standards and specifications;

(5) Developing and coordinating technical training and support services at the education service center;

(6) Assisting the Bureau of General Education in awarding and monitoring state and federal technology grants and resources;

(7) Coordinating information with the Arkansas Public School Computer Network so that member schools will be informed on technological activity in the state; and

8) Assisting with requests for proposal development and bid analysis so that member schools will be better able to spend funds for technology.

6-13-1608. Education service centers - Sharing and coordinating activities.

The Bureau of General Education shall oversee the sharing and coordination of activities among the education service centers.

6-13-1609. Education service centers - Programs and services.

(a) The programs and services of each education service center shall be based upon the needs of the schools and school districts included in its service area and as they directly relate to the educational priorities of state as established by the State Board of General Education.

(b) Education service centers may provide shared educational programs and services such as needs assessment and school improvement planning, staff development, curriculum development, itinerant teachers, distance learning, instructional materials, adult and vocational education, programs for gifted and talented children, education for children with disabilities, alternative educational programs, secondary area vocational centers, community-based education programs, and other services that the State Board of General Education may approve or that school districts may support with local funds.

(c)(1) Each education service center shall conduct annual surveys and needs assessments to assist the center in its first priority of helping

schools and school districts improve their educational programs and practices.

(2) Annual surveys and needs assessments may include written surveys, visits to schools to meet with local personnel, meeting with school councils, and other means to identify local needs throughout the service area.

(3)(A) School districts may enter into contracts with the education service center for services supported partially or completely by local, state, or federal funds.

(B) No school district shall be assessed a membership fee.

(4) School districts within the service area of one (1) education service center may also contract for services with another education service center.

6-13-1610. Education service centers - Evaluations.

(a) On a schedule, which shall not be longer than a five (5) year cyclical period, established by the Director of the Bureau of General Education, an evaluation committee of seven (7) persons shall visit all education service centers.

(b) Each evaluation shall include, but not be limited to, an investigation of user satisfaction, service adequacy, extent of local financial support, staff qualifications, performance and administration effectiveness, and support and implementation of state initiatives as designated by the State Board of General Education.

(c)(1) The report of the committee shall be filed with the education service center visited, with its constituent schools and school districts, and with the State Board of General Education.

(2) The executive committee and the director of the education service center shall acknowledge receipt of the report and comment on any deficiencies identified in the report.

(d) The intent of this evaluation procedure is to:

(1) Provide a means for schools and school districts to express their concerns about the operation of their education service center;

(2) Ensure that each education service center remains alert and responsive to the needs of the local schools it serves; and

(3) Ensure that state initiatives as designated by the State Board of General Education are supported and implemented.

(e)(1) For each evaluation, the Director of the Bureau of Education shall appoint the committee and designate its chairperson.

(2) The committee shall include the following from outside the service area of the education service center being evaluated:

(A) An Bureau of General Education staff member;

(B) A teacher;

(C) A public school administrator;

(D) A representative of higher education;

(E) A parent serving as a member of a school's Parent Advisory Council;

(F) A member of a school district board of directors; and

(G) A representative of business and industry.

6-13-1611. Education service centers - Funding

(a) The state shall provide funds to support the basic structure of the education service centers established under the provisions of this subchapter.

(b) This structure shall include:

(1) Salaries and fringe benefits for a director, professional development coordinator, and support staff;

(2) Costs such as travel, utilities, rent, equipment, and supplies;

(3) Funds to support staff and curriculum development activities; and

(4) Funds in an annual amount not to exceed twenty-five thousand dollars (\$25,000) for the travel expenses of itinerant personnel employed by the education service center to serve the part-time needs of local districts.

(c) School districts may contract with their education service center for services and part-time personnel to be supported in whole or in part by local funds, but no school district shall be assessed a membership fee.

(d) Categorical state or federal funds may also be assigned to any education service center upon approval of its executive committee and under conditions set by the State Board of General Education.

(e) As a public agency, each education service center shall be eligible to receive and expend public and private funds.

SECTION 73. Arkansas Code Title 6, Chapter 17, Subchapter 2 is amended to add an additional section to read as follows:

6-17-209. Interim Personnel Policy Committees.

(a) For purposes of this section the following definitions shall apply:

(1) "Consolidation" means any reorganization of a school district effective on or before July 1, 2004, either voluntarily under Arkansas Code Title 6, Chapter 13, Subchapter 14, or involuntary under this act of 2003;

(2) "Interim school board" means:

(A) The temporary school board governing a school district under this act; or

(B) In the event of a voluntary consolidation under Arkansas Code Title 6, Chapter 13, Subchapter 14, a board consisting of the presidents of the school district boards of directors of the school districts to be consolidated, which shall be formed for the purpose of reviewing and adopting a uniform set of policies under this section; and

(3) "New school district" means the resulting school district after consolidation.

(b) As soon as possible after the school boards or the qualified electors of the school districts agree to be consolidated, or as soon as possible after the State Board of General Education publishes it's preliminary list of school districts to be consolidated, the personnel policy committee of each of the school districts involved in the consolidation shall meet individually and elect members to form an interim personnel policy committee for the new school district.

(1) The personnel policy committees of the existing school districts shall elect:

(A) If three (3) or fewer school districts are consolidating, three (3) existing teacher members of the personnel policy committee from each school district to serve on the interim personnel policy committee; or

(B) If four (4) or more school districts are consolidating, two (2) existing teacher members of the personnel policy committee from each school district to serve on the interim personnel policy committee; and

(C) One (1) administrator from each of the school districts to serve on the interim personnel policy committee.

(2) The interim personnel policy committee shall elect a chairperson and a secretary, both of whom shall be classroom teachers, and schedule a calendar of meetings to review all the written uniform policies of the respective districts that affect the terms and conditions of the teachers' employment. From those written policies the interim personnel policy committee shall put together a proposed set of policies for the new school district.

(c)(1) After drafting a proposed set of policies for the new school district, the interim personnel policy committee shall meet with the interim school board of the new school district to present and explain to the interim school board the proposed set of policies for the new school district;

(2) Upon request of the interim personnel policy committee, the interim school board shall be entitled to meet with the interim personnel policy committee at least twice before June 1, 2004, for the purpose of reviewing, receiving, and discussing with the interim personnel policy committee the proposed policies for the new school district.

(d) The interim personnel policy committee shall serve as the new school district's personnel policy committee until a new personnel policy committee is formed and successor personnel policy committee members are elected under this subchapter, or until the new school district chooses to officially recognize in its policies an organization representing a majority of the teachers in the district for purposes of negotiating as provided for under this subchapter.

(e) The interim school board shall adopt a uniform set of policies before July 1, 2004, which shall be the personnel policies for the new school district for the 2004-2005 school year.

(1) If the interim school board decides to adopt any policy or policies different from those proposed by the interim personnel policy committee, the interim school board shall submit the proposals to the interim personnel policy committee at least seven (7) calendar days prior to being considered for adoption by the board;

(2) The chair of the interim personnel policy committee, or a committee member designated by the chair, will have the opportunity to orally

comment on any of the interim school board's proposals prior to their adoption;

(3) Any written policy of a new school district that affects the terms and conditions of a teacher's employment shall be considered a personnel policy;

(4) The new personnel policies shall not impair or diminish the existing contract rights of any teacher.

(f) If a school district with a personnel policy committee consolidates with another school that recognizes in its policies an organization representing the majority of the teachers of the district for the purpose of negotiating personnel policies, salaries, and educational matters of mutual concern pursuant to Arkansas Code § 6-17-202, the teachers in the district with the personnel policy committee shall have the right, in their first year of employment with the new district, to elect to have their contract governed by the negotiated personnel policies of the new district or to continue with the terms of their existing contract under the personnel policies of the district they were employed by the year prior to the consolidation.

(g) The provisions of this section shall expire on July 1, 2005.

SECTION 74. Arkansas Code Title 6, Chapter 17, Subchapter 2, is amended to add an additional section to read as follows:

6-17-210. Reduction in Force - Lay-Offs.

(a) For purposes of this section the following definitions shall apply:

(1) "Certification area" means grade levels or subject area for which the state provides a license to teach;

(2) "Classified Employee" means a non-supervisory employee holding a position that is not required by law to hold a license issued by the State Board of General Education and whose salary are on a support or classified salary schedule;

(3) "Consolidation" means any reorganization of a school district effective on or before July 1, 2004, either voluntarily under Arkansas Code Title 6, Chapter 13, Subchapter 14 or involuntary under this act of 2003;

(4) "Grade Level" means:

(A) Pre-kindergarten;

(B) Elementary, which consists of grades kindergarten through grades five (5) or six (6);

(C) Middle or Junior High, which consists of grades six (6) or grade seven (7) through grades eight (8) or nine (9); or

(D) Senior High, which consists of grades nine (9) through twelve (12);

(5) "New school district" means the resulting school district after consolidation;

(6) "Seniority" means the total number of years of employment as a teacher or as a classified employee in Arkansas public elementary and secondary schools. For purposes of this section:

(A) Teachers may not count service as classified employees towards seniority; and

(B) A semester under contract shall be counted as a year. Less than a semester shall not be recognized for seniority;

(7) "Supervisory Employee" means any individual employed by the school district having authority, in the interest of the employer, to hire, transfer, suspend, lay-off, recall, promote, discharge, assign, reward or discipline other employees, the responsibility to evaluate them, or to adjust their grievances or effectively to recommend such action; and

(8) "Teacher" means a non-supervisory employee holding a position that requires a license from the State Board of General Education whose salary is determined by the teacher salary schedule as required under Minimum Teacher Compensation Act of 2003.

(b)(1) In the event of a consolidation effective on or before July 1, 2004, including the creation of regional school districts, the school districts to be consolidated shall not implement a reduction in force and shall not non-renew or terminate any teacher's or classified employee's contract based upon the upcoming consolidation;

(2) The new school district shall become liable for all teacher and classified employee contracts of the school districts being consolidated.

(c)(1) If during the first two (2) years following a consolidation, effective on or before July 1, 2004, the new school district determines that it is necessary to reduce its staff of teachers or classified employees, or both and that the reduction cannot be accomplished through attrition, then the new school district shall follow the provisions of this section.

(2) However, nothing in this section shall exempt a new school district from complying with the Arkansas Teacher Fair Dismissal Act, §§ 6-

17-1501, et seq., as may be amended, or the Public School Employee Fair Hearing Act, §§ 6-17-1707, et seq., as may be amended, when implementing the reduction in force.

(d) For both teachers and classified employees, the reduction in force shall be accomplished through attrition as much as possible.

(e) When a new school district determines that a reduction in force is necessary, it shall approve a list of position reductions by school, grade level, certification areas, and classified job positions. All employees shall receive a copy of the necessary reductions.

(f)(1) If the reduction in force cannot be accomplished through attrition, then points will be assigned to each teacher based upon data as of July 1 of the year prior to the time in which the reduction in force is to take place as follows:

(A) One (1) point shall be given for each year of seniority;

(B) Additional points for graduate degrees, but only one (1) applies:

(i) Two (2) points shall be given for an earned Master's Degree, maximum two (2) points;

(ii) Three (3) points shall be given for a Master's Degree plus thirty (30) additional graduate level hours, maximum three (3) points;

(iii) Four (4) points shall be given for an Educational Specialist Degree, maximum four (4) points; and

(iv) Five (5) points shall be given for a Doctorate Degree, maximum five (5) points; and

(C) Six (6) points shall be given for certification by the National Board of Professional Teaching Standards.

(D) One (1) point shall be given for a trained mentor teacher;

(E) One (1) point shall be given for a certified Praxis assessor;

(F) One (1) point shall be given for two (2) or more academic content areas of endorsement as identified by the State Board of General Education;

(G) One (1) point shall be given for certification or teaching in an State Board of General Education approved shortage area; and

(H) One (1) point shall be given for multiple areas and levels of licensure as identified by the State Board of General Education.

(2) All points assigned shall be verified by documents on file with the new school district. Each teacher's points shall be added, and teachers shall be ranked by the total points from high to low in their certification areas. All teachers in the new school district shall receive the listing of personnel and point totals.

(3) In each certification area, those with fewest points will be laid-off first with the following provisos:

(A) Full certification in a position shall prevail over greater points.

(B) If points are equal, earliest date of employment in an Arkansas public school shall prevail.

(4) If teachers are laid-off from employment under this section, they shall be offered an opportunity to fill a vacancy for which they are qualified, for a period of up to two (2) years. The laid-off teacher shall be recalled for a period of two (2) years in reverse order of the lay-off to any position for which they are qualified. A teacher's refusal of a position shall end the district's obligation to place the laid-off teacher.

(g) In the event of a necessary reduction in force under this section of classified employees, the school district shall supply all classified employees a list of employees by length of service. The school district shall first lay-off probationary classified employees, then the classified employees with the least seniority in the identified job classification. For two (2) years following the reduction, classified employees whose positions have been eliminated due to a reduction under this section shall have the right to assume a position for which they are qualified that is held by the least senior classified employee with the same job classification and length of contract. Laid-off classified employees shall be recalled for a period of two (2) years in reverse order of the lay-off to any position for which they are qualified. Any classified employee's refusal of a job shall end the district's obligation to place that classified employee.

(h) Laid-off teachers or classified employees with skills in the area of a vacant position shall be given first consideration. If more than one (1)

teacher or classified employee is qualified for the vacant position, the teacher with the greatest seniority shall be employed first.

(i) The provisions of this section shall expire on July 1, 2006, with the exception of the recall provisions in subsections (f)(4), (g), and (h) of this section.

SECTION 75. Arkansas Code § 6-17-410(e)(2), pertaining to the reasons for which a license may be revoked or suspended or the licensee placed on probation, is amended to add an additional subdivision to read as follows:

(I) Determination by the Bureau of General Education that a school superintendent or education service center director has committed an act or violation, including, but not limited to, any violation of Arkansas or federal law, rules or regulations, or reporting requirements which jeopardizes the fiscal or academic integrity of a school or school district.

SECTION 76. Arkansas Code § 6-17-907 is amended as follows:

6-17-907. Funds generally.

(a) The county treasurer of each county in the state is directed to establish for each school district for which he is treasurer the following funds:

- (1) The teachers' salary fund;
- (2) Operating fund;
- (3) Building fund;
- (4) Debt service fund;
- (5) Capital outlay fund; and
- (6) Consolidated federal grants fund - Control.

(b) The county treasurer shall credit to the operating fund all other revenues not earmarked for the building fund, debt service fund, capital outlay fund, or consolidated federal grants fund.

(c) ~~He~~ The county treasurer shall credit to the building fund those funds received:

- (1) Through the sale of bonds or otherwise;
- (2) From insurance collected for damages to school property except when the property damages have been repaired out of the operating fund which will be reimbursed by the insurance proceeds.

(d) ~~He~~ The county treasurer shall credit to the debt service fund revenue from any continuing levy for the retirement of bonded indebtedness.

(e) ~~He~~ The county treasurer shall credit to the capital outlay fund any revenue specifically dedicated for capital outlay fund purposes.

(f) ~~He~~ The county treasurer shall credit all the various federal funds to the consolidated federal grants fund unless otherwise specifically designated by the ~~Arkansas Department~~ Bureau of General Education.

SECTION 77. Arkansas Code § 6-17-908 is amended as follows:

6-17-908. Teachers' salary fund.

(a) Only warrants or checks in payment of salaries of teachers, as defined in § 6-17-902, in payment of dues of teachers to professional organizations, in payment of teachers' contributions to the Arkansas Teacher Retirement System, and in payment of insurance or other fringe benefits for teachers shall be paid from the teachers' salary fund. However, insurance or other fringe benefits must be approved by a majority of the teachers in the school district voting in a secret election.

(b) The county treasurer and ~~his~~ the county treasurer's surety or the district treasurer, if the district has its own treasurer, and ~~his~~ the district treasurer surety shall be liable for any warrants or checks paid from the teachers' salary fund which are not herein authorized.

SECTION 78. Arkansas Code § 6-17-1001 is repealed effective June 30, 2004.

SECTION 79. Arkansas Code § 6-17-1113(a)(1) and (2), pertaining to a list of entities eligible to participate in the school worker defense program, are repealed.

~~(1) Education service cooperatives;~~

~~(2) Education service cooperative board members;~~

SECTION 80. Arkansas Code § 6-17-1113(a), pertaining to a list of entities eligible to participate in the school worker defense program, is amended to add an additional subdivision to read as follows:

(18) The members of an education service center executive committee

SECTION 81. The Educator Compensation Act of 2001 as codified at Arkansas Code §§ 6-17-2101 through 6-17-2106 is repealed effective June 30, 2004.

SECTION 82. Arkansas Code Title 6, Chapter 17, is amended to add the following subchapter:

6-17-2301. Title.

This subchapter shall be known and may be cited as the "Minimum Teacher Compensation Act of 2003."

6-17-2302. Legislative Intent.

The intent of this subchapter is for the State of Arkansas to create a teacher compensation system that has the following objectives:

(1) A compensation system that drives improvements in student academic achievement;

(2) A compensation system that attracts and retains the best teachers possible;

(3) A compensation system that provides teachers with meaningful and rewarding opportunities for advancement in the profession based on the acquisition of skills that enhance instructional excellence and student learning, taking on leadership roles, and making exceptional professional contributions;

(4) A compensation system that motivates and provides financial incentives for teacher efforts and performance that leads directly to improved student achievement;

(5) A compensation system that encourages and rewards teachers individually for increasing their knowledge, skills, and competencies, and rewards teachers collectively for improving student performance;

(6) A compensation system that promotes a sense of ownership for student results and a commitment to perform in a manner that promotes student achievement;

(7) A compensation system that promotes professional collegial cooperation;

(8) A compensation system that as a result of the compensation program, teachers have a keen understanding of what is expected of them and the priorities of the state; and

(9) A compensation system that will be affordable, somewhat predictable, and in keeping with the state's educational and fiscal objectives.

6-17-2303. Definitions.

For the purposes of this subchapter, the following terms shall have the following meaning unless the context demands otherwise:

(1) "Basic contract" shall mean a contract number of days that is not more than the number of days in the school year required by the state board's for accreditation for the school year in which the contract is effective;

(2) "Knowledge and Skills Based Pay system" is the compensation system explicated by Arkansas Code §§ 6-17-2305;

(3) "School Based Performance Awards" shall mean the compensation system explicated in Arkansas Code § 6-17-2308;

(4) "Teacher" shall mean any full-time employee of a local public school district who is compelled by law to secure a license from the State Board of General Education as a condition precedent to employment in a position in or related to grades pre-kindergarten through twelve (preK-12) of the public schools of this state.

6-17-2304. Minimum Teacher Compensation Schedule for 2004-2005.

(a) In school year 2004-2005, the board of directors in each school district in the state shall pay their teachers upon a salary schedule that has annual increments for education and experience, that provides for a base salary, a minimum salary for a teacher with a master's degree, and that has at least fifteen (15) years of experience as described in this section.

(b)(1) In school year 2004-2005, each school district in the state shall have in place a salary schedule with at least the following levels of compensation for the basic contract:

<u>Years Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
<u>0</u>	<u>\$29,000</u>	<u>\$32,279</u>
<u>1</u>	<u>29,444</u>	<u>32,789</u>

2	29,888	33,299
3	30,332	33,809
4	30,776	34,319
5	31,220	34,829
6	31,664	35,339
7	32,108	35,849
8	32,552	36,359
9	32,996	36,869
10	33,440	37,379
11	33,884	37,889
12	34,328	38,399
13	34,772	38,909
14	35,216	39,419
15 years or more	35,660	39,929

(2) For purposes of the salary schedule explicated in this subsection, the teacher's experience shall be his or her total years in any school district in the state, and shall not be based on only the years in the district in which he or she is currently employed.

6-17-2305. Knowledge and Skills Based Pay after 2004-2005.

(a) In school year 2005-2006 and each year thereafter, the board of directors in each school district in the state shall pay their teachers upon a salary schedule that has annual increments for education and experience, that provides for a base salary, a minimum salary for a teacher with a master's degree, and that has at least fifteen (15) years of experience as described in this section.

(b)(1) In school year 2005-2006 and each year thereafter, each school district in the state shall have in place a salary schedule with at least the following levels of compensation for the basic contract:

<u>Skill Level</u>	<u>Step Within Level</u>	<u>Salary</u>	<u>Percent Step</u>
<u>Entry</u>	1	\$29,000	
	2	29,580	2.0%
	3	30,172	2.0%
<u>Emerging Career</u>	1	33,038	9.5%
	2	33,669	2.0%
	3	34,373	2.0%

Career	1	37,638	9.5%
	2	38,391	2.0%
	3	39,159	2.0%
	4	39,942	2.0%
Master	1	43,736	9.5%
	2	44,661	2.0%
	3	45,503	2.0%
	4	46,413	2.0%
Arkansas Fellow	1	50,823	9.5%

(2) For the purposes of the Knowledge and Skills Based Pay system, when a teacher moves from one district to another, the teacher shall be placed in an equivalent position in terms of skill level and steps within the level on the salary schedule of the school district to which the teacher moves.

(c)(1) No individual without a standard teaching license issued by the State Board of General Education may advance from the Entry Skill Level to the Emerging Career Skill Level.

(2) For an individual to advance from the Emerging Career Skill Level to each successive skill level, that individual must demonstrate sufficient increases in knowledge and skills, and the ability to use those knowledge and skills to advance student achievement, in accordance with rules and regulations promulgated by the State Board of General Education.

(3) If an individual no longer demonstrates the knowledge and skills, and the ability to use those skills to advance student achievement, then that individual would be given one (1) year to increase their knowledge and skills appropriate to that Skill Level, otherwise that individual shall be lowered to the appropriate skill level.

(4) An individual must remain in the Emerging Career Skill Level for at least one (1) year before attempting to be promoted to the Career Skill Level. An individual must spend at least three (3) years in the Career Skill Level before attempting to be promoted to the Master Skill Level.

(5) The Arkansas Fellow Skill Level is for teachers who achieve and apply extraordinary expertise in the classroom.

(d) Any individual who has reached the highest Step Within Level without advancing to the next Skill Level shall continue to receive increases in teacher pay equal to two percent (2.0%). When that individual then

advances to the next Skill Level, the individual's compensation shall increase by nine and a half percent (9.5%) and shall continue to increase by two percent (2.0%) each year thereafter.

6-17-2306. Transition from the compensation system in Arkansas Code § 6-17-2304 to the compensation system in Arkansas Code § 6-17-2305.

(a)(1) Prior to July 1, 2004, the State Board of General Education shall promulgate rule and regulations to implement all aspects of the Knowledge and Skills Based Pay explicated in Arkansas Code 6-17-2305.

(2) The State Board of General Education shall work in cooperation with the House Interim Committee on Education and the Senate Interim Committee on Education and any subcommittees created thereby while creating these rules and regulations.

(b) During the 2004-2005 school year, the Bureau of General Education shall pilot and evaluate the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2304 in a limited number of school districts.

(c) During the 2004-2005 school year, the Bureau of General Education shall preliminarily determine where each teacher will be located on the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2305.

(d) Beginning July 1, 2005, the Knowledge and Skills Based Pay system explicated in Arkansas Code 6-17-2305 shall be in full force and effect.

6-17-2307. Additional pay for certain teacher qualities.

(a)(1) For the school year 2004-2005 and every school year thereafter, school districts shall pay an additional four and six tenths percent (4.6%) of a teacher's salary if that individual teaches in an academic field in which there is a shortage of teachers.

(2) The State Board of General Education shall annually determine in which academic areas there is a shortage of teachers.

(b)(1) For the school year 2004-2005 and every school year thereafter, school districts shall pay an additional five percent (5.0%) of a teacher's salary if that individual teaches in a geographic area in which there is a difficulty in recruiting and retaining teachers.

(2) The State Board of General Education shall annually determine the geographic areas in which there is a difficulty in recruiting and retaining teachers.

(c)(1) For the school year 2005-2006 and every school year thereafter, school districts shall pay an additional five percent (5.0%) of a teacher's salary if that individual possesses academic credentials that are above what is needed for a standard teaching license.

(2) The State Board of General Education shall promulgate rules and regulations that explicate which academic credentials will qualify for this type of incentive pay.

6-17-2308. School based performance awards.

(a)(1) For the school year 2004-2005 and each year thereafter, the Bureau of Education shall pay four different levels of school based performance awards to individual schools that show excellence in meeting state performance goals.

(2) The State Board of General Education shall promulgate rules and regulations that explicate how it will be calculated that individual schools qualify for these awards.

(b)(1) The amount of the school based performance award shall be based upon the extent to which the school accomplished established student achievement goals:

(A) For a school that did not accomplish the goals there would be no award;

(B) For a school that had basic accomplishment of the goals, the award would be equal to one thousand dollars (\$1,000) per certified teacher and administrator in the school plus five hundred dollars (\$500) for support staff in the school;

(C) For a school that had accomplished targeted improvement goals, the award would be equal to two thousand dollars (\$2,000) per certified teacher and administrator in the school plus one thousand dollars (\$1,000) for support staff in the school; and

(D) For a school that exceeded the targeted improvement goals, the award would be equal to three thousand dollars (\$3,000) per certified teacher and administrator in the school plus one thousand five hundred dollars (\$1,500) for support staff in the school.

(2) The State Board of General Education shall promulgate rules and regulations that explicate what the student achievement improvement goals are and how they will be determined.

6-17-2309. Monitoring and assessment of the compensation system.

(a) The State Board of General Education shall promulgate rules and regulations establishing a system that monitors and assesses the implementation and continuation of the Knowledge and Skills Based Pay system as well as the School Based Performance Awards.

(b) The Director of the Bureau of Education shall establish a unit within the Bureau that will be charged with monitoring, training, and assessing necessary under this subchapter.

6-17-2310. Future adjustments of the compensation system.

Every biennium the House and Senate Interim Committees on Education shall analyze the compensation levels explicated under this subchapter based upon relevant available data and shall make recommendations to the General Assembly of any adjustments to the compensation levels deemed necessary to further the objective explicated in Arkansas Code § 6-17-2302.

SECTION 83. Arkansas Code § 6-18-204(c) pertaining to students attending school in another district for specific purposes is amended to read as follows:

(c)(1) A student may attend school in another district for the purposes of enrolling for alternative education programs, secondary area vocational centers, or community-based education programs for which the resident district has entered into a compact with another district.

(2) The resident district of a student taking advantage of the provisions of this subsection shall pay tuition to the district or education service ~~cooperative~~ center that is the administrative agency for the compact program in the amount agreed upon the compact or as required by state regulation.

SECTION 84. Effective July 1, 2004, Arkansas Code § 6-18-206 is amended as follows:

6-18-206. Public school choice.

(4) The General Assembly therefore finds that these benefits of enhanced quality and effectiveness in our public schools justify permitting a student to apply for admission to a school in any district beyond the one in

which the student resides, provided that the transfer by this student would not adversely affect the desegregation of either district or the state.

(b)(1)(A) Before a student may attend a school in a nonresident district, the student's parent or guardian must submit an application on a form approved by the Department of Education to the nonresident district. This application must be postmarked not later than July 1 of the year in which the student would begin the fall semester at the nonresident district.

(B)(i) Any student who applies for a transfer under this section and is denied a transfer by the nonresident district may request a hearing before the State Board of Education to reconsider the transfer.

(2) A transfer to a district is exempt from the restriction set forth in subdivision (f)(1) of this section if ~~all districts within a county have voted to participate in choice,~~ if the transfer is between two (2) districts within a county, and if the minority percentage in the student's race and ~~majority percentages of~~ other percentages or racial categories of students in school enrollment in both the resident and nonresident district remain within an acceptable range of the county's overall ~~minority~~ percentage in the student's race and ~~majority percentages~~ other percentages of racial categories of the ~~of~~ school population as set forth by the department;

(3) The department shall by the filing deadline each year compute the ~~minority~~ percentage in the each student's race and majority ~~percentages~~ of each county's public school population from the October Annual School Report and shall then compute the acceptable range of variance from those percentages for school districts within each county. In establishing the acceptable range of variance, the department is directed to use the remedial guideline established in Little Rock School District v. Pulaski County Special School District of allowing an overrepresentation or underrepresentation ~~of black or white students~~ in each racial category of students of one-fourth (1/4) or twenty-five percent (25%) of the county's racial balance. In establishing the acceptable range of variance for school choice, the department is directed to use the remedial guideline of allowing an overrepresentation or underrepresentation of minority or majority students of one-fourth (1/4) or twenty-five percent (25%) of the county's racial balance;

(4) A transfer is exempt from the restriction set forth in subdivision (f)(1) of this section if each school district within the county does not have a critical mass of minority ~~percentage in the student's race~~ students of more than ten percent (10%) of any single race;

SECTION 85. Arkansas Code § 6-18-508 is amended to read as follows:

6-18-508. Alternative learning environment.

(a) For purposes of this subchapter:

(1) "Alternative learning environment" or "ALE" is an educational setting which offers nontraditional/flexible instructional methods that enable all students to participate in the educational process and to prevent dropping out.

(2) "Nontraditional flexible instructional methods" are innovative methods of instructional delivery such as flexible time frames, variable credit delivery systems, applied learning, integrated curriculum, and work-based learning.

(3) "Dropping out" is leaving school without graduating or completing a state- or district- approved secondary program.

(4) "At-risk students" are those in the public school whose educational and social progress deviates from the standard expected for a successful transition to a productive adult life. An at-risk student, though intelligent and capable, typically manifests one or more of the following characteristics:

(A) recurring absenteeism

(B) disruptive behavior

(C) drop out from school

(D) personal or family problems or situations

(E) transition to or from residential programs

(F) standardized test scores or assessment portfolios which indicate that the student is nine months or more behind grade level, is one or more years behind grade level in accumulation of credits for graduation, or has been retained one or more times.

(5) "Disruptive behavior" is behavior which interferes with the students' own learning or the educational process of others and requires attention and assistance beyond what the traditional program provides; behavior that severely threatens the general welfare of others; and/or

frequent conflicts of a disruptive nature while the student is under the jurisdiction of the school, either in or out of the classroom.

(6) "Personal and family problems or situations" are conditions that negatively affect the student's academic and social progress. These may include, but are not limited to:

- (A) pregnancy
- (B) single parenting
- (C) mental/physical health problems
- (D) frequent relocation of residency
- (E) homelessness
- (F) abuse: physical, mental, sexual
- (G) inadequate emotional support.

(7) "Students in transition" are those moving to or from residential programs such as detention, psychiatric treatment, legal commitment, and substance abuse rehabilitation

(b) The following shall apply to student admission:

(1) A student should be assigned to an ALE for not less than 20 consecutive school days.

(2) A student assigned to an ALE should be assessed within 20 school days.

(i) The student assessment profile should include information on behavioral assessment, attendance records, and problems both in and out of school.

(ii) Screening should be conducted to diagnose learning difficulties and achievement deficits.

(3) Eligible students with disabilities defined by the Individuals with Disabilities Education Act (IDEA), Public Law 94-142, as amended, may be placed in an ALE.

ALEs shall provide access to appropriate education services consistent with federal laws and regulations.

(4) Each ALE shall have a plan to involve parents, guardians, or other parties responsible for the student.

(5) The district or districts operating the ALE shall not discriminate against any student or group of students on the basis of race, gender, handicap, or religious belief in the criteria for admission or in operating the ALE.

(c) ~~(a)~~ Every school district shall establish an alternative learning environment which shall afford students an environment conducive to learning.

(d)(1) ~~(b)~~ The alternative learning environment required by this section may be established by more than one (1) school district ~~or may be operated by a public school educational cooperative established under § 6-13-901 et seq~~ or an education service center.

(2) The alternative learning environment must meet the following criteria:

(A) Have students supervised by a currently licensed teacher;

(B)(i) Have a student to teacher ratio in the alternative learning environment of no more than fifteen (15) to one (1).

(ii) Have a student-to-teacher ratio of no more than twenty (20) to one (1) if an aide is employed in addition to a licensed supervisor.

(iii) Have a ratio of one (1) certified employee for every fifteen (15) full-time equivalent students.

(C) Provide each alternative learning student access to the services of a school counselor or a mental health professional and a social worker and other district resources including but not limited to transportation, health services, and free or reduced lunch;

(D) Provide a curriculum including mathematics, science, social studies, and language arts correlated with the regular classroom instruction or with the standards for the tests of General Educational Development.

(E) Provide comprehensive staff development which includes such topics as conflict management, interpersonal skills and human development, counseling and group process skills, positive approaches to behavior management and discipline, stress management, and building self-confidence for all regular, certified, or classified staff.

(3) The Bureau of General Education shall randomly monitor school districts to ensure that alternative learning environments have been established, are conducive to learning, and are providing intervention services designed to address individual needs of students. Each school district shall be monitored at least once every three (3) years.

(e) ~~(e)~~ The Bureau of General Education shall establish criteria for teacher preparation for alternative learning environments, which shall include in-service training.

(f)(1)(A) ~~(d)~~ ~~Each school district shall report to the department, on a yearly basis, the race, gender, and other pertinent information regarding students placed in an alternative learning environment. Districts must submit an annual report to the Bureau of General Education using a format developed by the department. Each operating ALE should maintain information, which will include, but are not limited to the following:~~

1. Number of students
2. Length of enrollments
3. Attendance rate
4. Age of students
5. Race and gender of students
6. Grade level at the time of entry and exit from
the program
7. Reasons for admission
8. Current status of students on date of the report.

(B) This information shall be reported by the ~~department~~ bureau to the Joint Interim Oversight Subcommittee on Educational Reform by September 15 of each year.

(2) The Arkansas Pygmalion Commission on Nontraditional Education will also report its findings by the same time each year to the same legislative body.

(g) ~~(e)~~ ~~All funding for alternative education programs distributed outside the funding formula and which meets the guidelines developed by the department shall be released at the beginning of the school year or distributed proportionally along with the state aid to school districts. Any funds received by a local school district for alternative learning environments may only be expended for eligible alternative learning environment programs.~~

(h) ~~(f)~~ ~~For the 1999-2000 school year and each year thereafter, the department will develop an incentive program for those school districts whose alternative education programs have met the guidelines. The State Board of~~

General Education may promulgate rules and regulations to implement this section.

SECTION 86. Effective July 1, 2004, the Insurance Services Division of the Department of Education is transferred by a Type 3 transfer as provided in Arkansas Code Ann. 25-2-105 to the Insurance Department.

(a) Any and all statutory and regulatory authority, powers, duties, functions, records, property and funds administered or provided by other support divisions within the Department of Education or the State Board of Education for "The Public Elementary and Secondary School Self Insurance Act of 1973" or the Insurance Service Division of the Department of Education shall be transferred by a Type 3 transfer as provided in Arkansas Code Ann. 25-2-105 to the Insurance Department.

SECTION 87. Arkansas Code § 6-23-601(d)(3)(A), pertaining to employment contracts of teachers employed by a charter school, is amended to read as follows:

(3)(A) A certified teacher choosing to join the staff of a limited charter school shall be employed by the district by a written contract as set forth in ~~§ 6-13-620(4)~~ § 6-13-643(1), with the contract being subject to the provisions of the Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.

SECTION 88. Arkansas Code § 6-41-207(f) pertaining to duties of the State Board of Education regarding children with disabilities is amended to read as follows:

(f) The board, in compliance with federal enforcement requirements, is authorized to disallow the generation of all state aid to children with disabilities to any local school district or education service ~~cooperative~~ which center that fails to comply with state and federal regulations, as determined by independent hearing officers, agency hearing decisions, agency complaint investigation decisions, agency compliance monitoring reports, or agency jurisdictional decisions. The board is authorized to set aside funds disallowed under this subsection (b) and to utilize such funds for the provision of a free and appropriate public education to appropriate children with disabilities.

SECTION 89. Arkansas Code § 6-47-201 is amended to read as follows:

6-47-201. Administration in elementary schools.

(a)(1) The ~~Department~~ Bureau of General Education shall oversee and coordinate the implementation of distance learning in elementary and secondary public schools in the state.

(2) Distance learning shall be available to all school districts in the state by August 1, 2004.

(b) The ~~department~~ bureau shall promulgate rules and regulations establishing appropriate adult supervision.

(c) The elementary or secondary school may import courses from outside the state. However, ~~the course curriculum shall be approved by the department prior to offering the courses through distance learning~~ before offering the courses through distance learning the bureau shall approve the course curriculum.

(d) The courses offered through distance learning shall include, but not be limited to:

(1) College preparatory courses, including, but not limited to, calculus, physics, Arkansas history, foreign languages, and computer science; and

(2) Technological courses, including, but not limited to, advanced math and science courses, advanced computer skills courses, and advanced courses in the arts.

(e) The ~~department~~ bureau shall work with the Arkansas School for Mathematics and Sciences, the Arkansas Educational Television Commission, ~~the education service cooperatives,~~ and other state agencies involved in distance learning or in implementing distance learning.

SECTION 90. Arkansas Code § 6-47-302 is amended to read as follows:

6-47-302. Implementation in elementary and secondary schools – Courses offered.

(a) The ~~Department~~ Bureau of General Education shall plan for the statewide implementation of distance learning in elementary and secondary public schools in the state.

(b) The elementary or secondary school may utilize courses from outside the state. However, ~~the course curriculum shall be reviewed by the Department~~

~~of Education or the Department of Workforce Education prior to offering the courses through distance learning~~ Bureau of General Education or the Bureau of Workforce Education before offering the courses through distance learning shall review the course curriculum.

(c) The courses offered through distance learning may include college preparatory courses, advanced mathematics and science courses, and technological courses.

(d) The ~~Department~~ Bureau of General Education shall work with the Arkansas School for Mathematics and Sciences, the Arkansas Educational Television Commission, ~~the education service cooperatives,~~ the State Library, and other state agencies involved in distance learning.

SECTION 91. Arkansas Code § 6-51-301(a) pertaining to the creation of new multi-district vocational centers is amended to read as follows:

(a) Any request for approval of a proposed new center shall be submitted by the superintendent or chief executive officer of the school or institution proposed to function as the center and superintendents from the several schools to be served by a center or the ~~board of an education service cooperative~~ executive committee of the education service center within whose ~~boundaries~~ service area the center is to be located.

SECTION 92. Arkansas Code § 10-4-208(b), pertaining to requirements of an audit report by independent accountant when performing an audit of publicly funded educational institutions, is amended to read as follows:

(b) Any statutorily required audit of an educational institution performed by an independent accountant shall include as a minimum and as an integral part of the annual financial report a review and comments on substantial compliance with each of the following:

(1) Management letter for audit of political subdivisions, §§ 14-75-101 - 14-75-104;

(2) School officials prohibited from having interest in sales to school and from receiving pecuniary profits for favorable actions, ~~§§ 6-13-628,~~ § 6-21-601, 6-21-603;

(3) School elections, §§ 6-14-102, 6-14-118;

(4) Management of schools, ~~§§ 6-13-617 - 6-13-620,~~ §§ 6-13-637-6-13-643, 6-13-701;

- (5) Revolving Loan Fund, §§ 6-19-114(a), 6-20-801 et seq.;
- (6) District finances, §§ 6-20-402, 6-20-409;
- (7) District school bonds, §§ 6-20-1208, 6-20-1210(a) and (b);
- (8) Teachers and employees, §§ 6-17-201(b) and (c), 6-17-203 - 6-17-206, 6-17-301, 6-17-401;
- (9) Teachers' salaries, the Minimum Foundation Program Aid Act, §§ 6-17-803(b), 6-17-907, 6-17-908(a) and (b), 6-17-911 - 6-17-915, 6-17-918, and 6-17-919;
- (10) Surety bonds if district has a district treasurer, § 19-1-403;
- (11) Deposit of funds, §§ 19-8-104, 19-8-106;
- (12) Investment of funds, § 19-1-504; and
- (13) Improvement contracts, §§ 22-9-202 -- 22-9-205.

SECTION 92. Arkansas Code § 10-4-304(15), pertaining to laws under the purview of the Arkansas Governmental Compliance Act, is amended to read as follows:

- (15) Sections ~~6-13-618, 6-17-910 [repealed]~~, 6-13-639, 6-17-912, 6-17-913, 6-17-918, and 6-17-919;

SECTION 93. Arkansas Code § 14-77-102(5)(C)(i), pertaining to the subdivisions included in the Local Fiscal Management Responsibility Act, is amended to read as follows:

- (i) School disbursing officer: Organization - Disbursing officer, ~~§ 6-13-618~~ § 6-13-639;

SECTION 94. Arkansas Code § 21-1-402(a)(1) pertaining to employment by individuals elected to a constitutional office is amended to read as follows:

- (a)(1) Subject to any restrictions or conditions prescribed by the Arkansas Constitution, no person elected to a constitutional office may, after being elected to the constitutional office and during the term for which elected, enter into employment:

- (A) With any state agency;
 - (B) In any non-certified position with any public school district of this state;

(C) With any vocational education school funded by the state; or

(D) With any education service ~~cooperative; or~~ center.

~~(E) With the Cooperative Education Services Coordinating Council, unless the constitutional officer resigns prior to entering into the employment.~~

SECTION 95. Arkansas Code § 25-30-102(b) pertaining to the powers and duties of the State Board of Workforce Education and Career Opportunity is amended to read as follows:

(b) The State Board of Workforce Education and Career Opportunities shall develop and monitor a state plan for vocational-technical education ~~which~~ that shall include the establishment of at least one (1) area vocational center in each ~~educational service cooperative~~ area served by an education service center and in Pulaski County. All policy issues affecting the public schools will be developed by the State Board of Workforce Education and Career Opportunities after consultation with the State Board of General Education and implemented in coordination with the ~~Department~~ Bureau of General Education ~~or the education service cooperatives, or both.~~

SECTION 96. Arkansas Code § 26-51-420 is amended to read as follows:

26-51-420. Deductions - Education service ~~cooperative~~ centers contributions.

Education service ~~cooperatives~~ centers created pursuant to ~~§ 6-13-1001 et seq. or Act 103 of the First Extraordinary Session of 1983~~ Arkansas Code Title 6, Chapter 13 are hereby declared instrumentalities and political subdivisions of the State of Arkansas, and all contributions and donations made to them during calendar year 1992 and any calendar year thereafter shall be deductible from the Arkansas income tax levied by § 26-51-201 et seq.

SECTION 97. IMPLEMENTATION AND SCHEDULE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL, AND TEMPORARY LAW.

(a) By January 1, 2004, the State Board of Education shall cause to be published a preliminary list of all provisional school districts.

(b) By March 1, 2004, any provisional school district that wishes to

merge with another provisional school district in order to meet curriculum, accreditation, facility, and efficiency standards and teacher salary requirements shall submit a petition to the State Board of Education. The State Board of Education shall have the authority to promulgate rules and regulations on this issue.

(c)(1) By May 1, 2004, the State Board of Education will certify which provisional schools can meet all curriculum, accreditation, facility, and efficiency standards and teacher salary requirements. Upon certification the provisional school is reclassified as "_____ " School District. If a provisional school district fails to demonstrate the ability to meet all curriculum, accreditation, facility, and efficiency standards and teacher salary requirements, then the State Board of Education shall consolidate or annex the provisional district with another provisional district pursuant to the requirements established under 6-13-1401 et. seq. A (provisional) school district may appeal the decision at the regularly scheduled May State Board of Education meeting. A final list of all school districts will be published on May 30, 2004.

(2) Prior to the consolidation or annexation of any school district, prior to July 1, 2004, the State Board of Education, or after July 1, 2004, the State Board of General Education, shall seek an official opinion from the Attorney General concerning the impact of the proposed annexation or consolidation on the effort of the state to assist a district or districts in desegregation of the public schools of this state.

(d)(1) On July 1, 2004, any provisional school district or school district created under this act shall become the successor in interest to the property of the school districts assigned to the newly created (provisional) school district, shall become liable for the contracts and debts of the school districts assigned to the _____ " _____ " (provisional) school district, and may sue and be sued therefore;

(2) On July 1, 2004, when territory less than an entire school district is assigned to a consolidated or annexed school district, the consolidated or annexed school district shall take the property of the school district from which the territory was taken, as the State Board of Education shall deem proper, and shall be liable for that part of all indebtedness of the district from which the territory was taken as shall be assigned to it by the state board.

(3) On July 1, 2004, the Bureau of General Education shall become the successor in interest to the property of the education service cooperatives dissolved under this act of the Second Extraordinary Session of the 2003 General Assembly. The Bureau of General Education shall not assume any debts of the dissolved education service cooperatives. The Bureau of General Education may assume any contracts issued by the education service cooperatives.

(e)(1) Beginning on July 1, 2004, and until their successors are elected and take office under this act, school district boards of directors of districts whose boundary lines did not change shall continue in office pursuant to Arkansas Code 6-13-1406.

(2)(A) Beginning on June 1, 2004, school district board of directors from districts whose boundary lines have been redrawn shall establish an interim board as provided in 6-13-1406 until their successors are elected and take office under this act. The interim board of directors of a (provisional) school district shall consist of the presidents of the school district boards of directors of the school districts assigned to that a newly annexed or consolidated school district.

(B) The school board created under subdivision (e)(2)(A) of this section shall have the same powers and duties as any other school district board of directors. The first duty of the interim boards of directors created under this subsection shall be to select a superintendent of schools who shall be hired for a term not to exceed July 1, 2005.

(f)(1) In the annexed or consolidated school districts created under this act, the interim board of directors of the school district shall submit to the qualified electors of the district at the 2004 school election a proposed tax millage rate for the district. If the qualified electors of the school district approve the proposed millage rate, it shall be the tax rate for the school district, provided the tax rate complies with the uniform rate of tax.

(2) If the electors have failed to approve a proposed millage rate at the 2004 annual school election in a school district created under this act, then the millage rate for the district shall be the uniform rate of tax and whatever debt service millage necessary to secure the bonded indebtedness of the regional school district.

(g) This section shall no longer be in effect on June 30, 2005.

SECTION 98. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court in Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the now extent system of education to be unconstitutional because it is both inequitable and inadequate; and the Arkansas Supreme Court set forth the test for a constitutional system to be one in which the State has an "absolute duty" to provide an "equal opportunity to an adequate education"; and the Arkansas Supreme Court instructed the General Assembly to define and provide what is necessary to provide an adequate and equitable education for the children of Arkansas-forthwith. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.